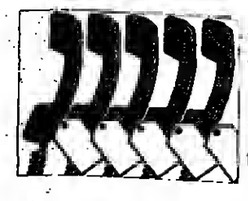

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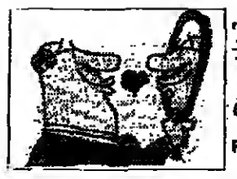

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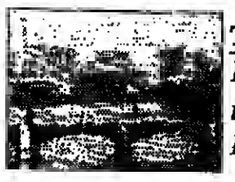


Today's surveys
Business locations in Europe Section III
Finland Section IV

FINANCIAL TIMES

Europe's Business Newspaper | MONDAY OCTOBER 11 1993 | D8523A

Truce in Somalia as UN and Aideed await US envoy

Somalia's rebel faction leader, General Mohammed Farah Aideed, and United Nations soldiers observed an uneasy truce in Mogadishu as they awaited the arrival of Robert Oakley, US president Bill Clinton's special envoy, to negotiate an end to the fighting. In Washington, secretary of state Warren Christopher said the US was "going to try to use the African leader'a assistance to try and devise an African solution to an African problem". But US policy on whether to involve Gen Aideed in these talks was unclear.

Yeltsin takes over regions: Russian president Boris Yeltsin placed all councils in the power of regional administrators in a further effort to rid himself of institutions and movements which could challenge his presidential rule. Page 14; Icy handshake for Yeltsin, Page 3; Can Yeltsin be a democrat and a reformer?, Page 4; A navy all at sea, Page 12; Observer, Page 13; Nato's growing pains, Page 28

Mexico threatens Nafta treaty: Mexican president Carlos Salinas, who is seeking to end more than a year of uncertainty about ratification of the Nafta free trade agreement with the US and Canada, said if it was not secured by the beginning of next year it would be lost. Page 14

Bhutto's party strengthens hold: Benazir Bhutto's ability to form a government in Pakistan was strengthened when her Pakistan People's party won a narrow lead in elections in Punjab where her rival, Mohammed Nawaz Sharif, has been chief minister. Page 4

Delors sees EC growth after two years: The European Community faces two more years of low growth, but could have falling unemployment and 3 per cent annual growth after 1995, Commission president Jacques Delors said. Page 2; Editorial Comment, Page 13

Italian minister quits: Italian industry minister Paolo Savona resigned after a public row over how the country's privatisation policy should be conducted.

EC countries differ on drug spending: Some European governments spend twice as much on medicines per capita than others without their citizens living longer, research has shown. Page 2

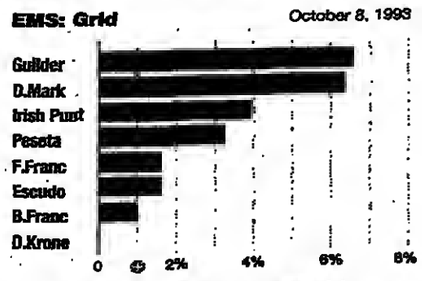
Airline talks make progress: Negotiations which could lead to a merger of airlines Swissair, Scandinavian Airlines System, KLM Royal Dutch Airlines and Austrian Airlines will come to a head tomorrow now that the four have agreed on how to value their stakes in the partnership. Page 14

Libyans advised against Scots trial: Lawyers for two men accused of planting the bomb which blew up a Pan-Am jet over Lockerbie, Scotland, in 1986 advised their clients against standing trial in Scotland. UN moves to tighten sanctions against Libya could go to a vote within days. Page 4

US-Canadian venture into Chilean copper: A US-Canadian consortium of Cyprus Minerals Company and Lac Minerals is to pay up to $555m for a 51 per cent stake in Chile's El Abra copper mine, making the project the country's biggest foreign joint venture. Page 18

European Monetary System: The Dutch guilder remains the strongest currency in the system with the disparity between the Danish krone, the grid's weakest member, growing last week to 6.54 per cent from 6.11 per cent. However, the focus this week is expected to be on the D-Mark as Germany's constitutional court rules on Maastricht. Currencies, Page 25

EMS: Grid October 8, 1993



The chart shows the member currencies of the exchange rate mechanism measured against the weakest currency in the system. Most of the currencies are permitted to fluctuate within 15 per cent of agreed central rates against the other members of the mechanism. The exceptions are the D-Mark and the guilder which move in a narrow 2.25 per cent band.

Hoechst, troubled German chemicals group, is bidding for its first stake in the North American generic drugs market with a $550m offer for 51 per cent of Copley group of the US. Page 15

South Korea braced for deadline: South Korea's deadline for converting false-name accounts into their owners' real names expires tomorrow and some analysts expect a massive withdrawal of funds by people wanting to hide their money from tax collectors. Page 4

Call for end to charities' tax relief: British charities should lose their automatic right to tax relief, according to a Home Office-sponsored report to be published tomorrow.

Computer bites: Children's computer games are the latest advertising medium for snack food manufacturers, who will pay up to $75,000 for inclusion in one of the top 10 selling games. Page 5

Austria	Sch30	Greece	Dr300	Lux	LFr65	Qatar	QR12.00
Bahrain	Din1.250	Hong Kong	HK$18	Malta	Lm0.60	S.Arabia	SR11
Belgium	BFr65	Hungary	Ft185	Morocco	MDh13	Singapore	S$4.10
Bulgaria	Lv25.00	Iceland	IKr215	Neth	Fl 3.75	Slovak Rp	KSL45
Cyprus	C£1.00	India	Rs40	Nigeria	Naira45	South Africa	R12.00
Czech Rp	CZK45	Israel	SH5.90	Norway	NKr16.00	Spain	Pta210
Denmark	DKr15	Italy	L2700	Oman	OR1.50	Sweden	SKr15
Egypt	E£4.50	Japan	Y500	Pakistan	Rs35	Switz	SFr3.20
Finland	FM12	Jordan	JD1.50	Philippines	Pso45	Syria	S£50.00
France	FFr9.00	Kuwait	Fils.500	Poland	Zl 22,000	Tunisia	Din1.250
Germany	DM3.30	Lebanon	US$1.25	Portugal	Es215	Turkey	L8000
						UAE	Dh11.00

Russia puts price on ultimate MiG flight of fancy

By Richard Tomkins in New York

HAS THE child within you always hankered after being a fighter pilot? Now's your chance. In one of the most bizarre instances yet of Russia's appetite for foreign currency, tourists are to be allowed to fly supersonic sorties over Moscow in Russian warplanes – at a price.

While strafing the Russian capital will not normally form part of the deal, anyone with at least $5,895 to spare can choose from a range of packages that will put them at the controls of jet fighters including the MiG 29 over Russia at speeds of up to 2½ times the speed of sound.

The more expensive packages, such as the $13,845 Military Adventure Programme, include add-ons such as the opportunity to operate and fire a Kalashnikov assault rifle, a rocket-propelled grenade launcher and a T80 turbine-powered tank on a St Petersburg firing range.

At the top of the range is the $45,000 Ultimate Flight Programme, in which the tourist and his/her partner or spouse are trained in aerial combat.

The programme ends with a dogfight between the two, the winner receiving a silver-plated "Top Gun" helmet signed by all the MiG test pilots at Moscow's Zhukovsky military air base.

The packages are being offered to western tourists through a newly formed company called MIGS Etc, based in Sarasota, Florida. Its founder is 30-year-old Mr Kent Ertugrul, a flying enthusiast until recently in the computer software business.

The first national newspaper advertisements for the trips began to appear last week. Since then, MiGS Etc says, its telephones have not stopped ringing.

Mr Ertugrul said he had the idea during a visit to Moscow when he found that the Russians had been selling military flights to the public on a small scale for a year or more.

He took a flight in a MiG 29, considered the experience "indescribable", and immediately started negotiations to sell the flights abroad.

Mr Ertugrul believes there is a large market for the tours in the US, Europe and Japan among people who fantasise about what it would be like to fly a jet fighter. Mr Ertugrul emphasises that tourists will be accompanied by top Russian test pilots and will fly well within the performance capability of the aircraft.

Even so, the MIGS Etc brochure says participants will be required to sign a form releasing MIGS Etc from any liability for death or injury. As for flight safety: "Although we doubt you will ever need it, you will be given detailed instructions on using the ejection seat."

Russia's regional councils demoted, Page 14

EC ministers veto early return to old ERM

Wider fluctuation bands to stay in place for foreseeable future

By Lionel Barber in Genval, Belgium

THERE WILL be no early return to the old European exchange rate mechanism, European Community finance ministers agreed after two days of talks this weekend.

The talks among EC ministers, central bank governors and top Treasury officials ended with a consensus that the wider fluctuation bands in the European exchange rate mechanism will remain in place for the foreseeable future.

EC in a rosy light .....Page 2
Editorial Comment .....Page 13
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The agreement that the old ERM will remain unworkable for a time was the main conclusion of a two-day assessment of the consequences of the August 2 European currency crisis.

That led to the de facto suspension of the ERM through the introduction of 15 per cent currency fluctuation bands.

Mr Jacques Delors, president of the Commission, warned ministers meeting in Genval, near Brussels, that the European economy faced low growth and high unemployment until 1996. Although Europe remained capable of a strong rebound, a recovery depended on a fall in EC interest rates, lower employment costs and a stronger dollar.

The sober outlook for the EC economies emerged along with signs that the European Commission has abandoned hopes that a "hard core" of currencies built around the D-Mark might be ready for economic and monetary union by 1997.

The ministers, central bank governors and senior Treasury officials rallied behind the goal of greater economic "convergence" on inflation, budget deficits and interest rates as the precondition for a single European currency.

But the UK, France and Germany resisted efforts by the Commission to set specific performance targets to measure the success of their efforts to bring their economies back into line.

The "Big Three" told Mr Henning Christophersen, EC economics commissioner, that they could only support general guidelines on convergence at the EC summit in Brussels in December.

Their resistance set back hopes in Brussels that the Commission might be able to use the impending ratification of the Maastricht treaty to draw member states into a more formal co-operation on macro-economic policy.

Ministers appeared anxious to avoid the recrimination which has bedevilled relations the past 12 months, and steered clear of earlier suggestions that capital controls should be considered to strengthen the ERM against currency speculators.

Mr Philippe Maystadt, Belgian

Continued on Page 14

Greek opposition leader Andreas Papandreou, whose Panhellenic Socialist Movement took an early lead in yesterday's national elections Reuter

Socialists take lead in Greek election

By Kerin Hope in Athens

GREECE'S opposition socialists led by Mr Andreas Papandreou appeared to be headed last night for a comfortable victory in the country's general election.

The result seemed a remarkable comeback for Mr Papandreou, 74, who lost power in 1989 dogged by controversy and poor health.

With 19.8 per cent of votes counted, his Panhellenic Socialist Movement (Pasok) had 46.0 per cent compared with 41.2 per cent for the conservative New Democracy party of prime minister Constantine Mitsotakis.

Political Spring, a conservative splinter group founded three months ago by Mr Antonis Samaras, a former foreign minister, was in third place with 4.7 per cent.

Independent analysts predicted that Pasok would finish with around 46.5 per cent of the vote. This would give the socialists a clear majority in the 300-member parliament under an electoral law that awards extra seats to the front-running party.

New Democracy appeared to have lost most support to Political Spring, which brought the government down last month by persuading two conservative deputies to defect.

New Democracy had been plagued for months by internal divisions, with senior cabinet ministers who were reluctant to abandon Greece's patronage system putting up fierce opposition to Mr Mitsotakis's plans to privatise public utilities and other state enterprises.

Mr Miltiades Evert, a senior New Democracy member, said last night the socialists were in a strong position. "It seems our policy of liberalising the economy wasn't understood, but even in opposition we intend to play a constructive role," he said.

Mr Akis Tsochatzopoulos, Pasok secretary-general, said: "A clear victory for Pasok is guaranteed. We're looking at a new political stability."

Mr Papandreou's comeback follows his acquittal last year of charges of corruption during the socialists' previous term in office.

His last days as prime minister in 1989 were dogged not only by ill-health but also by embarrassing controversy surrounding his marriage. He has since married a former Olympic Airways stewardess, Ms Dimitra Liani.

Voters appeared to have brushed aside concern that Mr Papandreou, who made few campaign appearances, may not be strong enough to run the country.

The socialists appeared to have gained support from the small Left Alliance party, which was struggling to reach the 3 per cent level needed to ensure it is represented in parliament. But the Communist party, backed by Stalinists and trade unionists appeared certain of winning over 4 per cent of the vote.

Italian banks agree on plan for restructuring of Ferruzzi

By Robert Graham in Rome

ITALIAN BANKS have agreed in principle to a freeze on interest payments to enable the administrators of the Ferruzzi-Montedison industrial group to carry out a radical restructuring plan.

If the agreement is now endorsed by the banks' boards and by the foreign banks involved, it will mean they will forgo interest payments of some L1,500bn ($944m) this year.

The foreign banks are due to discuss the restructuring plan today in Milan. Until now they have taken a tough stance, opposing a debt moratorium. Italian financial institutions account for over 75 per cent of outstanding bank debt; the remainder, totalling L6,500bn, is owed to some 100 foreign banks.

In return for an agreement, the administrators will restructure the group's outstanding L28,000bn worth of debts, sell off L5,500bn of non-core business and recapitalise both Ferruzzi Finanziaria (Ferfin) and its quoted industrial subsidiary, Montedison.

The reward for the banks is the prospect of eventually recovering their money through the recapitalisation and subsequent projected profitability of the operating companies, essentially in the Montedison portfolio.

Without an agreement, Italy's second-largest private group risks bankruptcy proceedings. The situation has to be clarified by Thursday, when Ferfin and Montedison are due to approve their half-year balance sheets.

A decision on the accounts was postponed on September 30 because no agreement had been reached on a debt moratorium. Excluding the debt service payments will dramatically change the profit and loss account.

It is still not clear whether the debt moratorium will be backdated to January. This is likely to be a big sticking point with the foreign banks, if they are willing to accept the principle of a moratorium at all.

The Bank of Italy discreetly intervened on Friday, using its good offices and powers of moral persuasion to demonstrate that the restructuring plan, drawn up by Mediobanca, had its full backing.

The Bank of Italy's public endorsement makes it more difficult for the foreign banks not to fall into line. However, the mood of the foreign banks is unlikely to have been softened by apparently well documented reports that both Mediobanca and Banca Commerciale Italiana, one of the main creditors, knew of the Ferruzzi group's financial plight almost three months before it became public knowledge.

Mediobanca's plan envisages a five-year timescale, during which net financial debt of Montedison will be cut from L14,400bn to L4,900bn and that of Ferfin from L5,000bn to L1,900bn.

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Growth, jobs and balanced budgets beckon

Delors paints EC's future in rosy hues

By Lionel Barber in Genval, Belgium

THE European Community faces two more years of low growth. But assuming interest rates and employment costs fall, it can look forward to balanced budgets, falling unemployment and 3 per cent annual growth in the second half of the decade, according to Mr Jacques Delors, Commission president.

In an after-dinner presentation to EC finance ministers on Friday night, he offered a seductive vision of Europe's prospects by the year 2000.

He was careful to point out that his economic model was not a forecast. It was more a tool for focusing minds on what had to be done for the EC to return to the path of economic virtue. As such it provided clues to his forthcoming "White Paper" on competitiveness.

Mr Delors insisted that "Europe is not a mature economy".

The EC needed to recapture the spirit of the 1960s, when the prospect of the single European market generated jobs and growth.

In order to keep pace with the US and Japan, ministers needed to focus on three areas:

- Competitiveness. Lower interest rates and a higher dollar would strengthen Europe's position, he said, but ministers also needed to tackle the costs of hiring labour.

If employment costs were judged to be too high, member states needed to decide whether to reduce spending in other areas such as health. Alternatively, they could finance high social costs through other measures such as the carbon energy tax.

- Labour markets. While avoiding specifics, Mr Delors suggested enough flexibility to draw guarded applause from Mr Kenneth Clarke, UK chancellor of the exchequer.
- Strengthening the relationship between growth and jobs. Mr Delors remains wedded to big capital spending projects, particularly in the area of telecommunications or US-style "information highways"; but he also believes that Europe could create more jobs by marginally lowering its rate of increase in productivity in service industries.

If EC member states can make progress in these areas, the prospects for growth and employment will improve dramatically, according to Mr Delors. Other factors would be a more favourable outlook for world trade, including an agreement in the Gatt Uruguay Round; an increase in investment from 19 per cent of EC gross domestic product to 24 per cent; and higher global savings rates.

On this basis, Mr Delors suggested that unemployment could fall from 11 per cent to 7 per cent, and that budget deficits in the EC could fall by 5 per cent in 1996 to zero by the year 2000.

This must look like a stairway to heaven for Europe's economies as they struggle to escape recession; and Mr Delors, who retains an almost religious faith in Europe's capacity to recover its economic and political strength, no doubt intended it as such. Yet the implicit message is that the EC is condemned to two more tough years. This makes it highly unlikely the Community will be ready to form an economic and monetary union by 1997.

Editorial comment, Page 13

Retreat on competition policy

By Robert Rice in New Orleans

THE EUROPEAN Commission is to retreat from its recent policy decision to involve the legal processes of individual member states more in the enforcement of competition policy within the Community.

A Commission notice issued at the end of last year outlined Brussels' intention to leave straightforward competition cases to be dealt with at a national level, allowing the Commission and the European Court to concentrate on more complex issues.

But Mr Karel Van Miert, competition commissioner, is believed to feel that increasing reliance on national competition authorities and courts to enforce EC policy is impractical at this stage.

In spite of recent moves among member states to adopt competition rules based more closely on Articles 85 and 86 of the Rome treaty, few national authorities and courts have any experience of the issues involved in EC competition cases.

The change of tack on the division of power between Brussels and the member states is expected to be signalled by Mr Van Miert at the International Bar Association business law conference in New Orleans today.

He is thought to have been persuaded of the need for a rethink in particular by a British decision in April not to adopt a regime for tackling abuse of a dominant position based on Article 86.

Until there is a greater degree of harmonisation among the competition rules of the member states and until national courts have gained experience in enforcing them, Brussels is thought to believe greater emphasis on subsidiarity in this area is inappropriate.

The commissioner is also expected to tell more than 2,500 lawyers attending the conference from around the world of the need for greater flexibility in enforcing competition policy in a recessionary climate.

Mr Van Miert will reaffirm the Commission's intention to be tough on cartels, collusive behaviour and abuse of a dominant position, but underline the need to ensure that EC companies are not prevented by strict enforcement of competition rules from competing in global markets.

Speaking in Washington last week, he called for the international trade rules in the General Agreement on Tariff and Trade to be extended to cover restrictive business practices. He is expected to tell his New Orleans audience how he sees Gatt's role in clearing away private barriers to trade.

Elsewhere at the conference delegates will address mounting concern about increased opportunities for fraud arising from the paperless society, such as computer hacking and phantom withdrawals from hole-in-the-wall automatic cash-dispensing machines.

The conference will also tackle a number of moral and human rights issues.

Residents of Locarno, Switzerland, cross the town square by boat after heavy rainfall caused floods in many of the country's southern regions. Associated Press

German engineers in plea for Bonn aid

By Christopher Parkes in Frankfurt

GERMAN heavy engineering manufacturers need government funds to help them recover from the "deepest, most difficult and longest recession" since the war, according to Mr Jan Kleinewefers, president of the VDMA industry association.

Together with the federation of German industry, BDI, the association was considering a joint formal request for "investment premiums" to encourage domestic customers to invest in new plant and machinery, he said at the weekend.

Complaining of "deafness" among politicians, Mr Kleinewefers said he was asking not for subsidies but for a limited injection of aid and the deferral of certain tax payments to stimulate capital spending.

The cost of any investment relief measures would be cancelled out by an eventual increase in tax revenues, he claimed.

His appeal, coinciding with a rigid clamp on government spending, has little hope of success. However, it seemed to be intended as a further signal to trade unions currently preparing their 1994 pay claims.

Engineering employers recently cancelled current pay and conditions agreements in a largely symbolic move designed to underline the seriousness of the situation.

Mr Kleinewefers told Munich journalists he expected "real relief" from the coming pay talks.

Personnel costs accounted for a third of all costs, he said, and could not be excluded from measures needed to aid recovery.

Average net return on sales in the industry was less than 1 per cent this year, the lowest for 40 years.

Only 75 per cent of capacity was in use, the lowest proportion since 1967.

Employers in the west of the country had cut 200,000 jobs since 1991, while output had fallen 15 per cent. Domestic orders had fallen 17 per cent in the first eight months of this year and foreign demand was down 4 per cent.

"There are still no clear signs of recovery. The turning point in the recession is still to come."

Craxi to help in probe

By Robert Graham in Rome

MR Bettino Craxi, the former Italian Socialist leader, has suddenly changed tactics in defending himself against a string of corruption charges. He now appears willing to collaborate with the magistrates.

On his own initiative he arranged a meeting in Rome on Saturday with Mr Antonio Di Pietro, the Milan magistrate whom he has constantly castigated since the corruption scandals first broke in early 1992.

The meeting marks a turning point in the long investigations into political corruption and illicit party financing. Until now, no senior politician in any of the previous administrations has sought to co-operate with the inquiries. Instead, they have hidden behind the protection of parliamentary immunity until forced by public opinion to waive it.

Mr Craxi has never ceased to protest his innocence and in March fought hard to avoid losing his immunity.

He waived it, only to face the two more minor charges linked to illicit party financing, while his parliamentary colleagues refused to let him face the more serious charges of extortion and receiving illicitly obtained money.

Milan magistrates are appealing against the constitutionality of parliament's right to prevent him facing these charges, which related to the alleged raising of nearly L40bn ($25m). Meanwhile, Mr Craxi, Italy's prime minister from 1983 to 1987, has been advised that he is under investigation for numerous other corruption offences. However, the magistrates cannot question him unless he consents.

As one of the most powerful figures in Italy from 1980 until his enforced resignation from the Socialist party this February, the former premier may be in a position to tell a lot of secrets.

EC looks to deal on German steel

A BONN government plan to rescue loss-making eastern German steelmaker Eko Stahl was unacceptable but a European Community ministerial meeting next month might thrash out a compromise, the European Commission said yesterday, Reuter reports from Bonn.

"The Commission cannot accept the current plan to build new capacity with more than half the money coming from public finances," the Bonn mission of the EC's executive body said in a statement.

It added that the Community's industry commissioner, Mr Martin Bangemann, thought the aid for Eko, if approved by the meeting of industry and economics ministers on November 18, would jeopardise EC steel policy.

The Commission wants to broker a deal among EC steelmakers that would encourage them to slash their combined annual capacity by 30m tonnes in a sector dogged by slumping demand and cheap eastern European imports. It only permits government restructuring aid to steelmakers if the help is tied to plant closures or other capacity cuts. The Eko plan would involve DM1bn of aid to modernise cold rolling facilities at Eko's Eisenhüttenstadt plant near the Polish border and build a new but relatively small mill with annual capacity of 900,000 tonnes.

Greens affirm pacifism

By Quentin Peel in Bonn

GERMANY'S Green party, the sole established political party still increasing its support in the polls, voted at the weekend to disarm and eventually abolish the Bundeswehr, the German armed forces. A special conference in Bonn also rejected by a large majority any move to send German troops abroad as part of military peace-keeping or peace-making operations.

Thus the Greens, who may well be a candidate for membership of the next government if they continue to pick up votes from the main parties, remain solidly committed to their pacifist traditions. By going so far as to call for abolition of the Bundeswehr, the party is likely to scare off middle-of-the-road members of the Social Democrats (SPD) doubtful about the wisdom of a coalition with the Greens.

The SPD is currently negotiating a "red-green" coalition for the city parliament in Hamburg, where the party lost its overall majority last month. The Greens almost doubled their vote to more than 13 per cent. The city's SPD leadership is deeply divided on the issue, and voted by a bare 13-11 majority on Friday to pursue negotiations. Mayor Henning Voscherau argues that Green policies on economic development, housing, law and order and the environment may prevent the SPD pursuing effective policies on the key issues likely to decide next year's national elections.

Confirmation of the Greens' pacifism is likely to reinforce similar doubts in the national SPD leadership. However, a continuing strong performance by the party might make a red-green coalition for the next Bonn government a genuine option, with a clear left-wing bias.

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Seeking better health for less money

Some countries spend twice as much on medicine as others, to no effect, reports Paul Abrahams

THANKS TO vast discrepancies in the amount spent on pharmaceuticals, some European governments are spending twice as much on medicines per capita than others without achieving improvements in their relative life expectancies.

Prescription medicine sales through pharmacies during the first six months of this year were only $46 a head in Britain. That compared with $108 in France and $78 in Germany, Italy and Belgium, according to figures compiled by IMS International, the market research group, and the Financial Times.

The discrepancies in per capita spending were not caused by differing prices for patented drugs. Prices for drugs in France are among the lowest in Europe, while those in the UK are among the highest. Nor are they caused by significant differences in the incidence of diseases or the age structure of the populations.

Rather, the main differences in spending between European countries are caused by variations in the volume and type of drugs prescribed.

These variations in prescribing are huge. French doctors prescribe five times as many items as British doctors and six times as many as their Danish counterparts, according to a recent study by the Association of the British Pharmaceutical Industry.

Similarly, the differences between EC nations' drug spending for therapeutic areas are striking. France spent $27 a head on cardiovascular drugs during the first six months this year, compared with $19 in Germany, $17 in Italy and $8 in the UK, even though the UK has one of the highest rates of heart disease in the world.

For asthma, France spent $13 per head, compared with $10 in Belgium, $9 in Italy, $8 in Spain, $5 in Germany and $3 in the UK.

Moreover, many of the drugs prescribed in high-volume markets such as France and Italy are of little proven efficacy. A recent Italian survey estimated 10 of the top 50 products sold in that country offered no therapeutic benefit. The study rated a similar number of France's top 50 as useless, compared with six in Germany and none in the UK. All but four of the top 50 products in the UK were internationally recognised as effective.

Many of these useless medicines are produced only on a national basis and offer at best symptomatic relief. Take the market for asthma, for example. France spends four times as much on respiratory drugs as the UK, according to IMS. But one leading asthma treatment group reckons the unproven palliative treatments and cough remedies commonly prescribed in France for asthma should be excluded from data. Once this is done, the UK market is actually larger than the French, worth £341m compared with £131m.

The UK's National Health Service drugs bill is kept down through government measures such as doctors' indicative budgets, prescribing lower doses of products such as antibiotics, and widespread use of cheap, off-patent generic medicines.

Zeneca, the UK pharmaceuticals group, estimates that 72 per cent of British prescriptions for its former top-selling product, the heart-drug Tenormin, are given to patients as cheap generic versions. That compares with 1.6 per cent in France and almost none in Italy.

Admittedly, comparisons between the UK and continental countries may not be entirely fair. The UK may well be underspending on medicines. The UK's drugs bill is also kept low by extremely poor take-up of expensive, innovative medicines which could be of benefit to patients. This is partly because of British doctors' conservative prescribing habits.

Glaxo, the world market-leader in anti-ulcer treatments, estimates recent treatments known as proton-pump inhibitors make up only 25 per cent of the UK anti-ulcer market, compared with 50 per cent of the French market.

Similarly, the low spending by the UK on cardiovascular medicines is partly because of the poor uptake of cholesterol-lowering drugs.

A recent survey by Merck of the US showed that only 17 per cent of UK patients visiting doctors had had a cholesterol test and of these only 1 per cent were given cholesterol-reducing drugs. That compared with 65 per cent of French patients, of whom 17 per cent were treated with medicines.

For all the discrepancies among prescribing in EC countries, there appears to be little correlation between drug consumption and life expectancy. This is broadly true for all medical expenditure, although there may be different class distributions concealed by the average figures.

Life expectancy at birth for males in France, the country with the highest per capita spending on medicines, is 73 years, compared with 73.5 years in Italy, 73.2 in the UK, the nation with the lowest spending, and 72.6 in Germany.

Meanwhile, Germany and Italy have introduced measures this year to limit spending on drugs through eliminating non-effective medicines.

THE USELESS DRUG LEAGUE
A=effective B=second-line C=useless*

	Top 25 products by value of sales			Top 50 products by value of sales		
	A	B	C	A	B	C
Italy	11	7	7	25	15	10
France	15	4	5	26	14	10
Germany	19	5	1	35	8	6
UK	24	1	0	46	4	0

*A: therapeutically effective on basis of international literature. B: second-line therapy, open to misuse, more expensive than similar products, or combinations with no advantage over monosubstances. C: no evidence of efficacy.

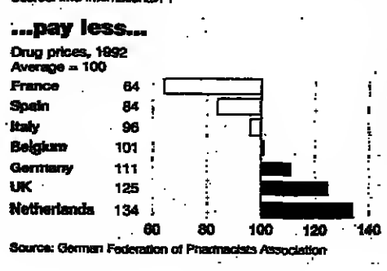
Source: Prof Silvio Garattini of the Mario Negri Institute, based on a survey conducted by the health economics centre Ceasr.

The cost of buying medicines: Europe's big spenders...

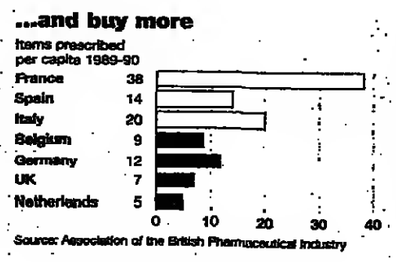
Pharmacy purchases per capita (January-June 1993) in dollars

	Total	Cardiovascular	Alimentary/ Metabolism	Anti-infectives	Central Nervous System	Respiratory	Musculo-Skeletal	Blood/Organs	Others
France	108.3	27	19	12	8	18	5	6	18
Italy	78.7	17	12	7	5	9	5	5	19
Germany	78.5	18	14	8	8	5	4	3	18
Belgium	78.4	15	12	12	8	10	5	3	18
Spain	60.9	11	9	6	8	8	3	3	15
Netherlands	53.5	10	12	7	8	4	2	2	10
UK	46.2	8	8	8	7	3	8	1	8

Source: IMS International/FT



Source: German Federation of Pharmacists Association



Source: Association of the British Pharmaceutical Industry

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Britain in brief

Computer games used for adverts

Children's computer games are the latest advertising medium for snack food manufacturers wanting to promote their brand names to the young.

Sweets, biscuits and crisps, and their logos and characters are appearing as integral parts of computer games. Advertisers are paying between £13,000 and £50,000 for inclusion in the games.

The Consumers' Association is calling for the British Code of Advertising Practice to be extended to cover new media developments. The company fixing most of the deals in the UK between the manufacturers and software publishers is Microtime Media.

Mayhew urges talks suspension

Making progress in the talks about the future of Northern Ireland would be easier if the Hume-Adams initiative remained suspended, Sir Patrick Mayhew, the Northern Ireland secretary, said.

A dialogue between Mr John Hume, the leader of the mainly Roman Catholic Social Democratic and Labour party, and Mr Gerry Adams, the leader of Sinn Fein, the political wing of the IRA, was launched last month. The initiative has already led the hard-line Democratic Unionist party to rule out further participation in the roundtable talks process.

Charities face tax relief blow

Voluntary sector leaders are braced for the appearance tomorrow of a Home Office published report recommending abolition of charities and their automatic tax relief.

Charity, the report is expected to conclude, is a medieval concept that has become meaningless now that many voluntary organisations provide welfare services under contract to public authorities.

It will argue that charities must choose between becoming publicly funded service delivery agencies, or free-standing campaigning organisations.

Speed urged over N-dumping

The government's nuclear safety watchdog has urged ministers to clear obstacles in the way of creating the UK's first safe underground disposal site for nuclear waste.

Delays in creating the disposal site at Sellafield in Cumbria mean that nuclear waste is being stored in "unsatisfactory" and "deteriorating" conditions at power stations and other nuclear installations, according to the Advisory Committee on the Safety of Nuclear Installations.

Professor John Horlock, the committee's outgoing chairman, has asked Mr Tim Eggar, the energy minister, to throw his weight behind efforts to establish the nuclear waste store before 2010, according to a letter leaked to Greenpeace.

Budget taxes would 'threaten' fragile recovery

By Peter Norman, Economics Editor

ECONOMIC recovery in Britain is fragile and the government should act with caution if raising taxes in its November 30 Budget, according to two reports published today.

In its quarterly business ourvey, Dun & Bradstreet, the business information company, found that confidence about sales prospects increased among UK managing directors for the fourth consecutive quarter.

But this was offset by the ourvey's finding of falls in profit and export expectations over the past six months.

In their latest UK economic forecast, the independent economists of the Ernst & Young Item Club expect economic growth to accelerate to 2.6 per cent in 1994 from 1.7 per cent this year hut said "significant risks" surround the outlook.

The Item Club economists said further sharp tax increases of £10bn spread over several hudgets would risk bigher inflation aod lower growth in the middle of the 1990s.

The Dun & Bradstreet poll of 1,745 managing directors betweeo September 9 and 21 found that 37.2 per cent favoured lower spending on public services to correct the Budget deficit against 25.7 per ceot advocating higher indirect taxation and 24.2 per cent in favour of higher direct taxes.

Mr Philip Mellor, Dun & Bradstreet's marketing manager, said the survey suggested that Britain's economic recovery may "be beginning to run out of steam" in spite of "the prospect of a last quarter spending spree" this year.

The Item Club ecooomists, who use the Treasury economic model to make their forecasts, say growth is likely to settle back to 2.4 per cent hy 1995 and 2.2 per ceot by 1996. The recovery will, however, generate new jobs from next year and will push unemployment below 2.75m by mid-year.

THE patchiness of economic recovery was underlined in figures from the Confederation of British Industry, the employers' organisatioo, wbicb showed that business activity in the financial services sector fell slightly in the third quarter of the year.

A 21 per cent drop in business conducted by banks with iodustrial and commercial companies was the main cause of the fall in overall activity, which occurred despite strong rises for venture capitalists, securities traders and others.

Despite the 3 per cent fall in activity, optimism about trading prospects strengthened for the fourth quarter in a row, with 41 per cent of the 294 companies responding to the survey saying they were more confident than before.

Mr Andrew Sentance, CBI director of economic affairs, said that recovery in the sector was still "uneven and patchy". A fall in volumes for banks and life insurers, which make up half the sector, accounted for the drop in business.

Thatcher hype fails to bring memoirs alive

Philip Stephens on Thatcher, Thatcherism, and the Tories

SO MR MAJOR could breathe a small sigh of relief. After all the advance hype the publication yesterday of official extracts from Lady Thatcher's memoirs proved a predictable anticlimax.

True she is not exactly full of praise for her successor. She makes little secret of her reservations about his intellect and ideological backbone.

There is probably more to come when the Sunday Times newspaper publishes its second set of extracts next week. Lady Thatcher believes, for example, that Mr Major deserted her during the first round of the 1990 leadership campaign.

But to anyone who has heard Lady Thatcher speak in private of Mr Major, these are distinctly modest criticisms. Around the lunch or dinner table she has accused him of being weak and indecisive, of abandoning the commitment to sound public finance, of spending taxpayers' money like a socialist.

The real venom is reserved for Lords Howe and Lawson. These were the principal architects of the Thatcher revolution. But it was her disagreement with them over the European exchange rate mechanism and, in the case of Lord Howe, Europe more generally, that precipitated the final implosion of her cabinet.

Thus Lord Lawson is at once praised for his intellect and then accused of "folly" in allowing his determination to get sterling into the ERM to override her determination to bold down inflation. Somewhat implausibly for those who followed the argument at the time he is accused of wanting constantly to cut interest rates while she was forever asking for the hurden on homeowners to be increased. The FT is credited for tipping her off in November 1987 about his policy of shadowing the D-mark. No matter than everyone of importance in Whitehall knew of the policy months earlier.

For Lady Thatcher her then chancellor's approach is proof that: "The belief that the laws of economics and the judgments of the markets can be suspended by clever people is a perpetual temptation to folly." The truth, of course, is rather more complicated than that.

Providing a deliciously ironic, and presumahly unconscious, assessment of the forces hehind her downfall Lady Thatcher concludes a bitter attack on Lord Howe with the thought that "Above all, I ouspect, he thought he had become indispensahle, a dangerous illusion for a politician".

The single mistake, according to Lady Thatcher, was her failure to sack her then chancellor and foreign secretary. Britain would have stuck with a floating pound and would have taken the path towards economic prosperity as its 11 European Community partners foolishly isolated themselves within monetary union.

Even the poll tax, she seems to believe, might have heen made to work. She would have won the election and, just about now, would be contemplating a graceful move into retirement. In the words of one cahinet minister yesterday, "sucb are the delusions of once-great political leaders"

Sadly, Mr Major cannot brush aside so casually the legacy of his predecessor. Her influence is waning. Even in great leaders self-justification is too easily self-defeating.

The ideological warfare in Blackpool last week was a potent reminder that the instincts of Thatcherism live on in a significant section of the Tory party. A stronger leader than Mr Major with a less truculent set of MPs and a larger majority at Westminster could have made a more decisive break with the past.

The synthetic loyalty of some members of the cabinet would have cost them their jobs in a government headed hy, say, Mr Kenneth Clarke. But Mr Major needs time to rebuild his authority after the ravages of Maastricht and of the economic recession. So he is ready to readopt some of the rhetoric of Thatcherism.

But Lady Thatcher's assumption that the prime minister's emphasis on traditional Tory values will signal a return to what he has described as a "golden age that never was" is mistaken. In Mr Major's mind the golden age was represented hy the 1950s not the 1980s. Mr Douglas Hurd, the foreign secretary, is not intending to conduct Britain's European policy on the basis of the cheap insults of some who sit around the cabinet table.

Thatcherism is not dead. It has an able, if yonthful, standard-bearer in Michael Portillo, who combines Lady Thatcher's gut instincts with some of the intellect of Lords Howe and Lawson. But it will take a general election defeat rather than an image of the recent past through rose-tinted spectacles to reconvert the Tory party to the ideology it rejected in 1990.

IN THE LIMELIGHT: Tony Blair, Labour's 'shadow' home secretary, is tipped for Downing Street by the turn of the century

Blair seen as prime minister in 2000

By John Willman, Public Policy Editor

MR Tony Blair, the oppositioo Labour party's modernising bome affairs spokesman, receives eocouraging support today from an unexpected quarter – a panel of top industrialists, bankers, business executives and other opinion-formers.

The panel, half of whom come from the business world, tip Mr Blair as the man most likely to be prime minister in the year 2000, ahead of Mr John Major, leading Conservative leadership contenders and Mr John Smith, the Lahour leader.

More surprising, Mr Blair is also the panel's preferred choice for No 10 Downing Street. He attracts three times the support of the prime minister, and more than twice the support of Mr Ken Clarke, the chancellor of the exchequer.

The endorsement for Labour's foremost moderniser emerged from a poll hy Opinion Leader Research asking Britain's most influential opinion-formers for their views on the UK in the year 2000.

In general, the panel members are pessimistic about the future, expecting the UK's decline in world influence to continue. China will gain the most in influence, according to the panel, followed hy Japan, the US and Germany. Russia and India are also expected to become more influeotial by the year 2000.

The opinion-formers say that their main area of coocern for the UK is both general economic performance and loss of international competitiveoess.

Support for EC jobs code

By Robert Taylor, Labour Correspondent

THE VAST majority of British employers do not believe curreot European Community proposals on employee participatioo and involvemeot will make any impact on joh opportunities in their companies.

The findings, in a survey puhlished today by Industrial Relations Services, come on the day before EC social ministers discuss the draft works council directive.

Such findings are likely to embarrass the British government which opposes the works council directive on the grounds that it will add to the burdens of business.

Half of the employers even said they did not believe employee participatioo would add to their labour costs nor reduce their right to manage. A third added that the EC's plans would actually "improve" employee relations.

A total of 62 companies were involved in the survey including Manders chemical company, Hoover, Lucas Aerospace, Pirelli Cables, Premier Brands UK, Warburtons, the Lex Retail group and Gateway Foodmarkets.

The survey also found employee involvement initiatives are increasing in companies but the lack of senior management commitment is proviog an obstacle to their success. In contrast nearly two thirds of company respondents who recognise trade unions said they had beeo no hindrance to such schemes.

Pay 'not a good guide' to earnings

By Richard Lapper

FIGURES on directors' pay given in annual reports substantially onderstate their remuneration, according to a survey of pay and benefits.

On average the director of a British company earns a basic wage of £92,000 but receives additional benefits in boouses, pension contrihntions, company cars, insurance and other fringe benefits worth £62,428.

The survey was carried out by Bacon & Woodrow, the actuaries, and Remuneration Economics, a salary and benefits specialist. The survey covers the pay of 1,434 directors in 222 companies.

Directors' TRP Survey 1993 by Bacon & Woodrow (St Olaf House, London Bridge City, London SE1 2PE) and Remuneration Economics (Survey House, 51 Portland Road, Kingston upon Thames, Surrey KT1 2SH). Price £500 plus VAT.

ANNOUNCEMENT FROM SÜMER HOLDİNG A.Ş.

As a part of the privatization programme Sümer Holding A.Ş. Offers for sale its Çanakkale Synthetic Leather Plant by sealed tender and sale negotiations procedure.

THE PLANT TO BE SOLD — AMOUNT OF TENDER BOND

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1- The Information Document and sale specifications of the above plant is available for a fee of TL 250.000, at the General Directorate of Sümer Holding A.Ş., at the address below.

2- The plant shall be transferred to the buyer "as it is" at the date of signature of the purchase agreement, excluding the receivables and liabilities and inventories of the plant at that date.

3- The buyer shall be wholly responsible for all the liabilities arising from the rights and payments which the employees working under labour law 1475 and whose numbers are specified in the Information Document, are entitled to or shall be entitled to by the labour law and the collective agreement.

4- The offerors are required to provide an irrevocable, unconditional (payable at first demand) tender bond for an amount of 5.250.000.000 Turkish Liras and valid for a period of at least six months to the below address of the General Directorate. Offers prepared in compliance with the sale specifications should be submitted to the Correspondance Department of Sümer Holding A.Ş. General Directorate at Çankırı Caddesi No: 2 Ulus/ANKARA, not later than 3 P.M. on November 23, 1993 . Delays in post shall not be accepted.

5- Sümer Holding A.Ş. is not subject to the restrictions specified in the State Tender Law No. 2886 dated 8 th September 1983 and reserves the right to decide whether or not to sell the plant and to extend the deadline of the tender, if deems necessary.

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PEOPLE

NatWest chalks up academic forecaster

Proof that the world of City economists is peopled not just by bright young things in their 20s comes with the move to financial markets of Geoffrey Dicks, right, a 46-year-old academic doyen of forecasting.

Dicks, who has worked et London Business School for the past 17 years, takes over today as UK economist at NatWest Markets, the securities arm of National Westminster Bank.

"I tbought my chances of entering the City had gone long ago," says Dicks, who is currently the LBS's bead of forecasting.

He has previously worked as an economist at the Department of Employment, and as a school teacher.

Dicks's chance to embark on a new career – with a "significantly higher" salary – came a few weeks ago when NatWest's head of strategy, Bob Semple, called him out of the blue.

Semple asked the business school guru whether be would be interested in taking over from Paul Neild, another golden oldie on the wrong side of 40, who had left NatWest unexpectedly for personal reasons.

The new NatWest incumbent scorns suggestions he may be too old to adapt to the cut and thrust of the City. "I am solidly unacademic," be says. "Also I'm an early morning person so I won't have any trouble with the early starts."

However, Dicks will probably have to reshape his lifestyle somewhat.

At the LBS he has had the luxury of working at his bome near Exeter every Friday, a practice he sadly reckons he

will have to give up.

At NatWest Dicks will join two other greybeerds of the economics world; Robert Thomas is in charge of analysing bonds and currencies, and David Kern is chief economist of the UK banking side.

Gartmore gets non-executive weight aboard

Gartmore, tbe investment fund manager wholly owned by Banque Indosuez, today announces the appointment of four non-executive directors.

Banque Indosuez intends to float some 30 per cent of Gartmore, whicb currently manages £16bn in funds, ranking it fourth in the highly competitive investment management field. The flotation is planned for November.

The four are: Victor Benjemin, deputy cbairman of Tesco; Simon Duffy, group finance director at Thorn EMI; Nigel Rndd, executive chairman of Williams Holdings: and James Watson,cbairman of NFC, the transport, travel and property group. Rudd will be the senior non-executive. They join the eight executive directors of Gartmore.

Benjamin, 58, has been deputy chairman of Tesco since 1983. A solicitor, he bas been a partner in the law firm Berwin Leighton for more than 30 years, and deputy chairman of Lex Service since 1973.

Duffy, 43, joined Thorn EMI from Guinness, where he was operations director of United Distillers, in 1992.

Rudd, 46, has been executive chairman of Williams Holdings since 1982. He is also chairman of Pendragon and deputy chairman of Raine.

Watson, 58, joined NFC in 1968 and has been chairman since 1991. He is also chairman of tbe Institute of Menagement.

The board bas also established two non-executive committees. The audit and compliance committee will be chaired by Duffy; the remuneration committee by Benjamin.

Other uon-executive appointments:

■ Jeck Gerber, group deputy chairman of Macsteel International, as chairman of OLIVER ASHWORTH (HOLDINGS); the previous chairman and founder remains non-executive deputy chairman.

■ Colin Fitcb, soon to retire as corporate fioance director of Kleinwort Benson Securities, et MERRYDOWN.

■ Michael Moore, chairman of Tomkins, at CLERICAL MEDICAL and GENERAL LIFE ASSURANCE SOCIETY.

Keswick rises with Sun Alliance

Henry Keswick, 55, chairman of Jardine Matheson Holdings, has been appointed deputy chairman of SUN ALLIANCE, where he has been a director since 1975.

Owner of The Spectator weekly magazine between 1975-81, Keswick has also been a director of The Telegrapb newspaper since 1990. He is a trustee of tbe National Portrait Gallery and has been chairman of the Hong Kong Association since 1988.

Sun Alliance has recently made another managertal change: Mike Hall has taken the new appointment of actuary, general Insurance.

■ Sir John Lucas-Tooth, a former chairman of Japan Ventures and a director of Rupert Loewenstein Investments, has been appointed chairman, and Leslie Lucas, a director and general manager of NW Reinsurance Corporation, a member of the board of SEPIA, Structural Engineers Professional indemnity Association.

■ Greegor Logan, formerly assistant general manager (investments) bas been appointed investment director of MGM ASSURANCE.

■ John Champness, cbairman of Lowndes Lambert Marine, is appointed to the parent board, LOWNDES LAMBNERT GROUP HOLDINGS.

■ Jonathan Tilney, formerly head of sales, bas been appointed sales director of NCM CREDIT INSURANCE.

New presidents for electrical groups

Two UK electrical associations, EIEMA and GAMBICA, have announced tbe appointment of new presidents, eacb of whom will serve for a year.

EIEMA, the Electrical Installation Equipment Manufacturers' Association, has named Stepben Lawson, cbairman and managing director of Lawson Fuses, as its new president. Lawson worked for the Nortb Eastern Electricity Board before joining Lawson Fuses in 1972.

At Gambica, the Association for the Instrumentation, Control and Automation industry in the UK, the new president is Graham Woodhead, a director of Meggitt.

Woodhead worked for the British Thermostat Group, BTR and Minibea before joining Bestobell in 1972.

When Bestobell was acquired by Meggitt in 1984, Woodhead was appointed managing director of the controls division.

CONSTRUCTION

An artist's impression of the proposed redevelopment scheme at the Elephant and Castle

London regeneration plan

Soutbwark Council and the London Institute have chosen proposals put forward by AMEC for a regeneration scheme to be carried out at the Elephant and Castle in south London.

The £57m scheme involves redevelopment of an area currently occupied by the Elephant and Castle leisure centre and its adjacent car park – the largest council landholding in the area.

AMEC's proposals include provision of a leisure centre for use by the community; together with a new teaching block and student residential accommodation for the adjacent London Institute. St Mary's Churchyard, a nearby open space, will also be improved in terms of layoot and appearance as part of the overall development.

AMEC has proposed a four-storey leisure centre, constructed as an important landmark for the area.

Facilities will include competition, tralning and leisure pools, a health spa, squash courts and a 36.5m x 32m multi-purpose sports hall.

A dance studio, community rooms and e spectator area will be also be provided, as will a library/exhibition area and a weight training room.

New French headquarters for Nestlé

BOVIS SA, a wholly owned subsidiary of tbe P&O company Bovis International, has won an £85m management contract to build the new 650,000 sq ft headquarters for Nestlé France at Noisiel, Seine-et-Marne, 18km east of Paris.

The 30-month project, which starts on site in February 1994, involves the refurbishment of a group of listed 19th-century industrial buildings tbat line the banks of the River Marne and the construction of a 200,000 sq ft building.

The 34-acre development, wbich includes an 8-acre island, will welcome 1,850 Nestlé staff from several subsidiaries in January 1996.

Nestlé has made the restoration of the listed buildings one of its main priorities. One of these, a mill built in 1871, will be fully restored to show the original hydroelectric machinery in the basement.

An area of the bank alongside the mill will be transformed into a square that will feature the foundations of the old factory's main chimney. The upper floor of the mill will be fitted ont to provide offices for the Nestlé board.

One of the first reinforced concrete structures built on the island will also be fully restored. Built in 1906, tbe "Cathedral" was designed by Stephen Sauvestre, a partner of G. Eiffel, famous for tower construction. It is linked directly to the otber buildings on the site by an arched concrete bridge that has a span of 146ft. The length of the span was believed to be a record at the beginning of this century.

Internal fittings will be the same in the refurbisbed and new buildings offering Nestlé's staff space, a high level of comfort and the latest communications technology. Bovis SA will also manage the fit-out.

£25m marine treatment works scheme

BIWATER TREATMENT, a division of Biwater Europe, bas been awarded a £25m contract for the design and construction of the new Eastbourne Marine Treatment Works by Southern Water.

The scheme is a big part of Southern Water's "Operation Seaclean", and will provide primary treatment facilities for up to 216,000 cu m per day of incoming sewage from Eastbourne and surrounding areas.

The works, scheduled for completion in December 1995, will incorporate fine screening, grit removal and chemically assisted primary settlement using lamella plate separators. The primary effluent will then be pumped to sea via a 3.2km outfall.

The plant will be completely underground involving highly complex civil construction due to its location on the seasbore.

HALL & TAWSE
QUALITY CONSTRUCTION
Hall & Tawse Group Limited
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Upgrading printing facility

A consortium of SULZER INFRA (UK) and two TRAFALGAR HOUSE CONSTRUCTION companies, Trollope & Colls and Rashleigh Phlpps, has been awarded a contract worth about £25m to refurbish the Bank of England's printing works at Loughton, Essex.

The three companies will carry out an extensive modernisation of the buildings, services and finishes at the 1950s complex. The two-year project will also include some reorganisation of the buildings to reflect modern production technology.

Scottish projects

GARDINER & THEOBALD has commenced work on two contracts in Scotland with a combined value of £55.5m.

Gardiner & Theobald is providing quantity surveying services for Victoria Quay at the new offices of the government's Scottish Office at the Victoria Quay development in Leith, Scotland.

The £47m project provides 32,550 sq m (350,000 sq ft) of offices in a four-storey, low-energy building. The accommodation will be in three blocks, each with its own atrium linked by a series of open courtyards.

Gardiner & Theobald is also acting as quantity surveyor for tbe Keeper of the Records of Scotland at Thomas Thomson House, tbe Scottish Records Office's new archive storage facility at Sigbthill in Edinburgh.

Sheltered housing

LOVELL PARTNERSHIPS has signed contracts for a £14m social housing contract to provide 360 bomes and accompanying infrastructure on a 25-acre site at Wyther Park in Leeds.

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Çukurova Elektrik A.Ş (ÇEAŞ) intends to procure below Electrical Materials for the construction and extension works of its substations.

1-53 EA. 170 kV CURRENT TRANSFORMERS OF VARIOUS CHARACTERISTICS
2-54 EA. 170 kV CAPACITIVE VOLTAGE TRANSFORMERS

This procurement shall be financed by the company resources and the Bidding shall be made according to the company's Bidding Procedures.

This Bidding is open to all Bidders who comply with below Prerequisited for eligibility:

- Bidders who have been regularly engaged for a continuous period of 10 years, prior to the date of Bid submission, in the design and manufacture of above specified materials, operating at e system voltage of 170 kV or more.

- Bidders who have designed and manufactured at least 2,000 pieces of above specified materials, out of which 1,000 pieces still in operation, since 3 years.

A complete set of Bidding Documents mey be obtained upon remittance of a non-refundable document fee of 100 USD or equivalent convertible currency, to below Bank Accounts and upon e written application to below address with evidence of payment:

ACCOUNT NO:

ADABANK-ADANA BRANCH ACC. NO. 2000 0013
IMAR BANKASI-ADANA BRANCH ACC. NO. 2000 2548

ADDRESS:

ÇUKUROVA ELEKTRIK A.Ç.
GENERAL MANAGEMENT
SEYHAN BARAJI, P.O.B. 239
01322 ADANA-TURKIYE

PHONE: 0-322-235 06 81 (4 lines)
TELEFAX: 0-322-235 02 57
TELEX: 62735 CEAS TR

All Bids must be delivered to the above office on or before 14:00 hours, Local Time on November 1, 1993 and shall be opened at above offices of General Management.

It is essential that the Bidders shall be in conformity with the Prerequisite for Eligiblity and the Bids shall be submitted in full conformity with the Bidding Documents. Other Bids shall be rejected.

ÇEAÇ reserves the right to accept or to reject any Bid and annul the Bidding process and reject all Bids, at any time prior to award Contract, without thereby incurring any liability to the affected Bidder(s) or any obligation to inform the affected Bidder(s) of the grounds for ÇEAÇ's action.

8 GENERAL MANAGEMENT

PUBLIC ELECTRICITY CORPORATION (PEC)
SANA'A - REPUBLIC OF YEMEN
60 MW EMERGENCY COMBUSTION TURBINE POWER GENERATION POWER PLANT

ANNOUNCEMENT OF TENDER

WITH POST-QUALIFICATION OF TENDERERS

PEC will be conducting a lump sum turnkey international tender for the above project with release of tender documents from beginning November 1993. Tender announcement will be publicised in this newspaper.

Due to the exceptional procedures to expedite early commissioning of the power plant the tendering period from the date of issuing tender documents shall be one month.

Tenderers wishing to obtain advance information on the project including site visits to project location are invited to apply to:

Eng. Ahmed H. Alani
Managing Director
Public Electricity Corporation
Sana'a Republic of Yemen
Telex: 2880 or 2879
Fax: 1263 116

Tenderers should give the names of their representatives and requested date of site visit.

Project particulars

Provision of two sites rated 30 MW Gas Turbines at the existing Sana'a (Oraban) Power Station Site.

Reinforcement of the existing Sana'a 33 KV Distribution network including the provision of new 33 overhead line & cable circuits and the provision of expanded and reinforced 33 kv substation facilities.

Tenderers are advised that all costs associated with the visit and tenders are at their expense.

INVITATION OF TENDERS

The State Property Agency /AVÜ/ is offering the state-owned shares of

"Alföldi Kohászati Gépipari Rt., AKG"
(Metallurgical and Machine Engineering Corporation)
for sale in a single-round public tender

We hereby inform all interested parties that the subscribed capital of "Alföldi" Metallurgical and Machine Engineering Co. emounts to 498,000,000.- FT, 97.4% of which /484,85 million Ft/ is offered for sale.

We are expecting bids from such domestic and foreign investors, who are ready to eccept the following conditions:

1. Placing an offer for the purchase of et least 15% of the share capital.
2. Depositing of 1 million Ft as offer guarantee in confirmation of their intent of purchese.
3. or meking an offer for privatization leasing.
   a. Offers for privatization leasing can only be placed by natural persons living in Hungary and having Hungarian citizenship, respectively by an association of such natural persons.
   b. The semple documents of privatization leesing ere enclosed to the detailed invitation of tenders.
   c. In the case of an offer for privetization leasing the block of shares to be leesed amounting to 97.4% of the subscribed capital, thet is 484,850,000.-Ft.
   d. In cases of en offer for privatization leasing the offer must contain the leasing fee offered, the business plen underlying the offered leasing fee, the planned form and extent of guarantees, the draft of the leasing association agreement as well as the record of professional experience of the bidders - in the case of private entrepreneur it should also contain the detailed reference list of their business activities.
   e. In the case of a leesing offer, the sum of the offer guarantee to be deposited amounts to 500,000.-Ft.
4. The bidders shall commit themselves to keep secret ell information they receive.
5. Offers are to be mailed to the following eddress:

State Property Agency
Allami Vagyonügynökség
1133 Budapest, Pozsonyi út 56. Iktató

Please write the following text on the envelope:

"Alföldi Kohászeti és Gépipari RT., Pályázat"
"Alföldi" Metallurgical and Machine Engineering Co., tender"

Tenders must be submitted by the following deadline:

December 15th 1993

Offer must be sent to the ebove address in sealed envelopes without any indication of the sender, and with a marking identifying the originel copy.

Offers must be binding for a period of et least 90 deys.

The State Property Agency reserves the right to declare the invitation of tenders unsuccessful.

The precondition of submitting offers is the purchase of the detailed tender material containing the rules of procedure for 10,000.- Ft + VAT along with the signing of the statement in secrecy et the following eddress:

State Property Agency, Public Relations
Allami Vagyonügynökség
1133 Budapest, Pozsonyi út 56
Mr István Rozsnyai
Phone: 269-8600

LEGAL NOTICES

The Insolvency Act 1986
NEWBUY LIMITED

NOTICE IS HEREBY GIVEN pursuant to Section 98 of the Insolvency Act 1986 that a meeting of creditors will be held at The Galleria, Station Road, Crawley, West Sussex, RH10 1HY on 13th october 1993 at 10.30 am for the purposes mentioned in Section 99 and 100 of the said Act.

Creditors wishing to vote at the meeting must lodge a proxy, together with a statement of their debt at the offices of Robson Rhodes, The Galleria, Station Road, Crawley, West Sussex, RH10 1HY not later than 12.00 noon on 12th October 1993.

A list of the names and addresses of the company's creditors will be available for inspection, free of charge, at the offices of Robson Rhodes,10 Queen Square, Bristol BS1 4NT and Robson Rhodes, The Galleria, Station Road, Crawley, West Sussex, RH10 1HY on 11th October 1993 and 12th October between the hours of 10.00 am and 4.00 pm.

Dated this 4th day of October 1993
M.P. GOODEN, Director

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SOUTHER DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:
MCORP FINANCIAL, INC., MCORP MANAGEMENT, and MCORP
DEBTORS.

§ Civil Action No. 93-395
§ JOINTLY ADMINISTERED
§ CHAPTER 11 CASES NOS.
§ 89-02513-H3-11
§ 89-02524-H3-11
§ 89-02848-H3-11

NOTICE OF CONFIRMATION OF THE FIRST JOINT CHAPTER 11 PLANS PROPOSED BY CERTAIN SENIOR NOTE CLAIM HOLDERS, THE DEBTORS, AND THE UNSECURED CREDITORS' COMMITTEE

On October 1, 1993, the United States District Court for the Southern District of Texas entered an order confirming the First Joint Chapter 11 Plans Proposed by Certain Senior Note Claim Holders, the Debtors, and the Unsecured Creditors' Committee, as amended pursuant to certain notices filed on July 6, 16, and 29, 1993 (the "Plans"). By separate order on the same day, the Court approved certain ancillary documents filed in connection with the Plans relating to the establishment of liquidating trusts, appointed certain trustees and members of supervising boards for the trusts, approved compensation arrangements for those trustees and members, and established reserves for certain administrative claims.

1. Under the terms of the Plans, the Effective Date of the Plans will be October 18, 1993, unless stayed by a court of competent jurisdiction.

2. Proofs of claims for damages arising from the rejection of any executory contract or unexpired lease must be filed with the Bankruptcy Court not later than November 1, 1993, or be forever barred.

3. Any claim for payment of an administrative expense allowable under sections 503 and 507(a)(1) of the Bankruptcy Code or for any other administrative expense reasonably contemplated by the Plans to arise after the date of entry of the confirmation order must be filed with the Bankruptcy Court not later than thirty (30) days after the Effective Date of the Plans or be forever barred.

4. On the Effective Date of the Plans, reserves will be established for several types of potential future liability, including claims to which objections are still pending (the "Contested Claims Reserves"). The Contested Claims Reserves will be calculated according to the provisions set forth in the Plans. No reserves will be set aside for amounts alleged in proofs of claim that do not constitute "claims" as defined in the Bankruptcy Code or the Plans, including equity interests and alleged rights of offset against liabilities owed to the Debtors' estates. Nor will any reserves be set aside for claims stated in unliquidated amounts, except that in the case of claims stated in terms of a right to periodic payments of a certain amount for life, the reserves will be based on the present value of the stream of payments, calculated according to generally accepted actuarial principles.

Dated: October 4, 1993
Houston, Texas

Respectfully submitted,

OF COUNSEL:
Melanie Gray
Wendy Laubach
WEIL, GOTSHAL & MANGES
700 Louisiana, Suite 1600
Houston, Texas 77002
(713) 546-5000

Alan B. Miller
767 Fifth Avenue
New York, New York 10153
(212) 310-8000

and

David Luther, Jr.
HUGHES & LUCE
1717 Main Street
Dallas, Texas 75201
(214) 939-5500

FARALLON CAPITAL MANAGEMENT PARTNERS, L.P., BAKER, NYE ADVISERS, PERRY PARTNERS, ANGELO/GORDON AND M. H. DAVIDSON AND CO., INC., AS AGENT
By: Myron Sheinfeld
Attorney-in-Charge
TBA 18180000
Mitchell A. Seider
SHEINFELD, MALEY & KAY, P.C.
3700 First City Tower
Houston, Texas 77002
(713) 658-8881

MCORP,
MCORP FINANCIAL, INC., and MCORP MANAGEMENT
By: D.J. Baker
Attorney-in-Charge
Admission No. 2041
State Bar No. 01566500
WEIL, GOTSHAL & MANGES
700 Louisiana, Suite 1600
Houston, Texas 77002
(713) 546-5000
Attorneys for Debtors

OFFICIAL UNSECURED CREDITORS' COMMITTEE
By: Robert J. Rosenberg
Roman E. Darmer
LATHAM & WATKINS
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New York, New York 10022
(212) 906-1200

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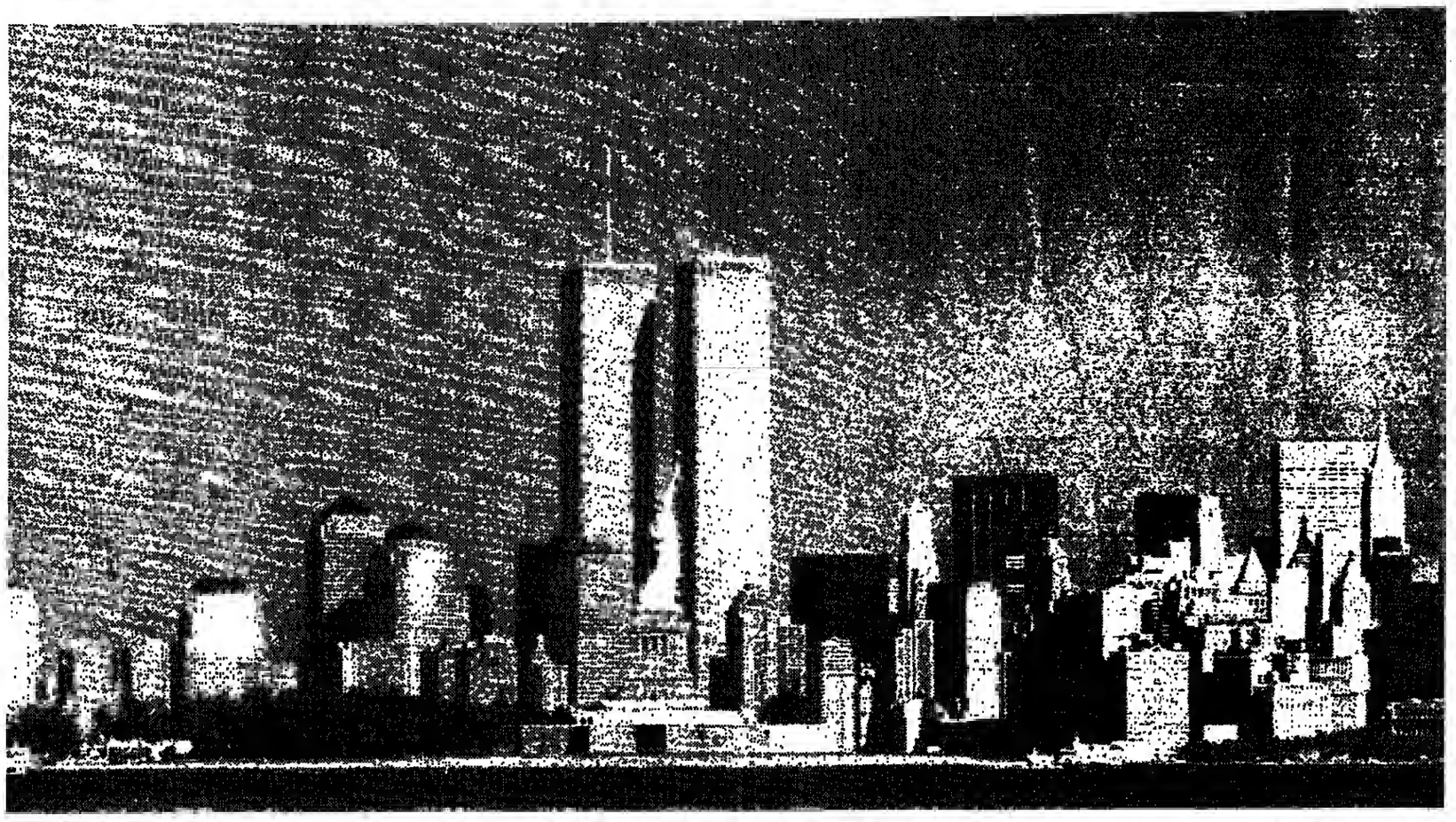

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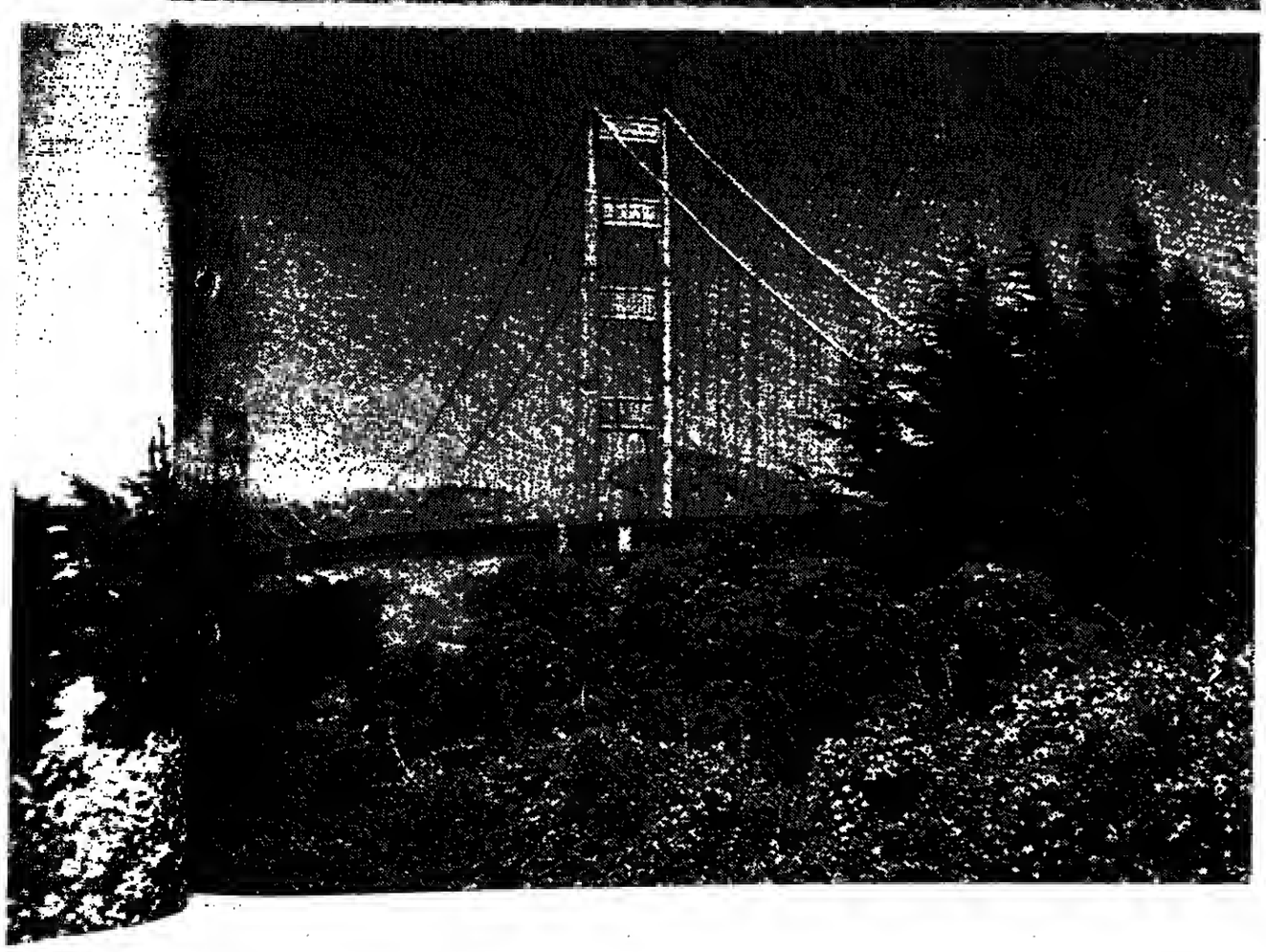

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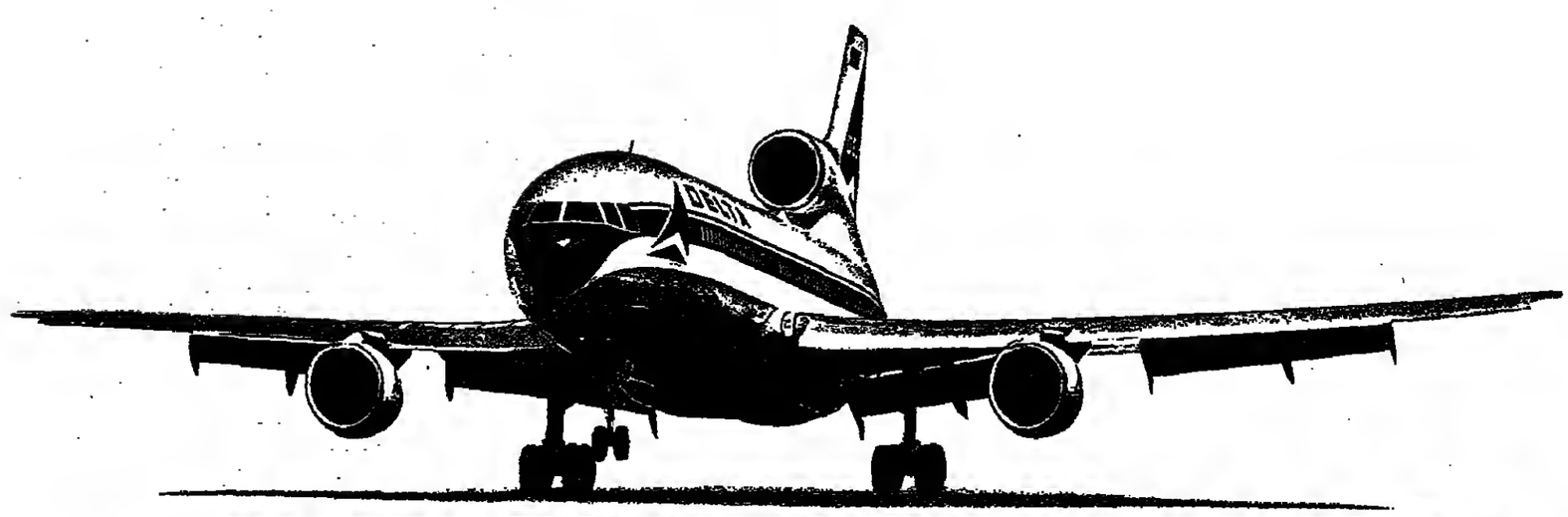


DELTA AIR LINES

TIPS FROM THE TOP

Make it interesting between the covers

Eric Nicoli, chief executive of United Biscuits, offers advice on how to prepare an annual report

Few people can resist those magazine quizzes that claim to reveal your inner personality. So try this one on your corporate personality: pick up your annual report and approach it as a stranger might. Is it: (A) meeting all fiscal requirements, retrospective, financially opaque, short on expensive visual interest, long on verbal camouflage? or (B) only the first two of the above, but more besides – financially transparent, visually interesting, well written and giving a clear, concise account of business issues past and present?

If you're instinctively happier with option A, and evidence from many UK companies suggests you are not alone, then move to my final paragraph. If you think there might be something in option B, read on.

At UB, we aspire to option B and the research we commission each year shows we are making progress, as our annual report becomes a recognised plank of our investor-relations programme. It is the one uniting document that we have for our company as a whole, and as we have to live with it all year, we prefer to make it count.

Of course the audiences of our annual report are diverse, but we have prioritised them and we try to define appropriate messages. We can't be all things to all people, but we can structure the report so that the browser gets as much from it as the cover-to-cover merchant. As well as all the usual messages, we use our report to lay out our strategy to all stakeholders and show the progress we're making.

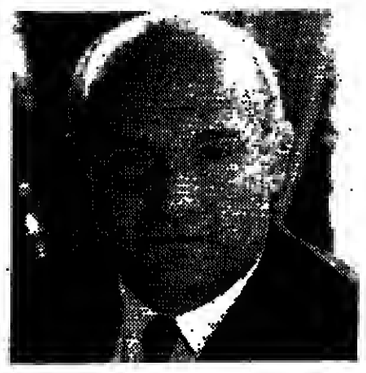
The easy bit is getting the report produced. Occasionally we hear nightmare stories of reprints and erratum slips. There is an easy way to avoid all this: sort out the internal mechanisms of tasks and responsibilities, only involving yourself in the process at useful and vital stages – and make sure you employ good people internally and an experienced design consultancy.

Your designers need to understand financial audiences, but most importantly you must help them understand your corporate culture and taste. We sit down from time to time with our designers and other people's annual reports. We sort them into those we like and those we don't. Alarmingly, given the money that everyone spends on this exercise, the second pile is usually bigger.

It's important to give your team time to get a good job done. However, you need to retain flexibility up to final copy deadline to make sure the messages are up to date. This year we turned our designers' hair grey with our negotiations to sell a large division, the Terry's Group, as we approached the print date. They covered the photographic content of the book every which way, finalising the cover only days before going to press.

This was probably a good thing, because the cover can be the topic of interminable debate. It has to reflect the content of the book, be different enough from the previous year, but also needs to reflect unchanging corporate values and differentiate itself from your competitors.

The only subject more fraught than covers is how to shoot your board, photographically speaking. Make sure your designers employ a patient, experienced photographer who can work fast and with suitable regard for vanity. Don't be afraid of cheating – they don't all have to be there together and they won't all be beautiful. If necessary, resort to retouching; I'm thinking of having hair in next year's report. One final tip – don't let your finance people make any design decisions other than what colour the back pages should be.



Don't let your finance people make any design decisions other than what colour the back pages should be

Options A and B will cost you almost equal amounts of money. The design, production and printing of your annual report will cost you approximately 20 per cent of the audit fee to produce the financial accounts required in the back. The print bill will be at least 15 per cent; so the 5 per cent you spend on design, writing, photographic content, together with adequate amounts of management time can turn a fiscal necessity into a useful corporate tool.

Next Monday: Clive Thompson of Rentokil on how to commission a new corporate identity.

Down with super egos

Lucy Kellaway on tackling megalomania in the office

How satisfying to be John Casablancas, head of Elite Model Management in New York. Last month he told his most famous model, Naomi Campbell, that he had had enough. He was fed up with her tantrums, fed up with her "greedy and demanding" ways and fed up with being "demeaned, used and abused". Never mind the large fees she brought in – she was out.

This story made world news not just because every trip of Campbell's on the catwalk is an event. The toppling of a giant ego is a rare spectacle, and one much enjoyed at a distance by everyone who has to deal with egos themselves.

Tantrum throwing, foot stamping, sulking, uncontrollable super egos are not only to be found in 23-year-old models. Among writers, musicians, sportsman, actors and chefs, famous egos abound. John Osborne, Dustin Hoffman, Marco Pierre White, John McEnroe, the list goes on.

Neither are big egos limited to "creative" people. Robert Maxwell may have been the biggest, but is by no means the only example of an ego in commerce.

"You need narcissism to become a business leader. But when you get to the top, funny things start happening," says Manfred Kets de Vries, a practising psychoanalyst and professor at the Insead business school in Fontainebleau, near Paris. "People idolise authority figures, so senior executives tend to get surrounded by liars."

It is not difficult to spot when an ego has got too big. Super egos do not listen, they have to be in the limelight, their judgment gets wonky, they refuse to take blame, they have to be in control, they want the biggest aeroplane and they surround themselves by yes-men.

Nearly every company has one, but how do you deal with them?

With most super egos, the Casablancas option is not open. Very occasionally directors get together and decide that the boss's rampant ego is a luxury the company can no longer afford. But for most of the time, the problem is one of containment and co-existence.

When a two-year-old child throws a tantrum, there are two possible course of action. Either you take them on your knee and cuddle them, or you throw them in their cot and shut the door. With adult egos, the choice is a similar one. You can pacify them or you can confront them.

The first route involves kowtowing, but may in some cases be the best option. "You realise that they are on an ego trip, and you bow, scrape and tug your forelock. You play the game in the interests of a quiet life," says Peter Honey, a psychologist and management consultant.

This may work for egos you only have to deal with occasionally. One literary agent who works for some famously bad-tempered writers has become adept at avoiding conflict. "I accept that my writers are entitled to be as difficult as they like. I look for the warning symptoms. If I am dealing with someone who I know gets upset about their royalties, I try to anticipate that. There are other people that get apoplectic if I don't ring back in five minutes, so I try to be prompt."

Naomi Campbell: a model example

The other approach is to take them on. This requires more courage and needs to be handled with care. "You have to choose when and on what issues. Work out where your bottom line is, and on everything else grin and bear it," says Honey.

Tim Halford spent 10 years with Armand Hammer, one of the biggest egos of them all. During that time he was fired four times and had back four times. His job routinely included such things as getting Hammer seats at the royal wedding of Prince Charles and Lady Diana Spencer in full view of the US television cameras. Yet Halford found his own way of standing up for himself.

"If you've got someone with an ego, you must never dent it publicly. With Hammer, if you were 100 per cent sure of your ground, it was possible to tackle him quietly. He would accept that he was wrong."

Some experts argue that there is little colleagues can do to soften the behaviour of office egos. The most difficult cases, says Kets de Vries, are businessmen who also own the company. "The only possibility is for that person to have a coronary – then you have a lever and can do something with them".

In public companies, there may be other more sympathetic figures of authority to turn to, but Kets de Vries warns that this could be dangerous. "The moment you blow the whistle, your head comes off." He reckons that if your boss has too high an opinion of himself, your best route might be to find another job.

He argues that these super egos are in need of professional help. He compares the role as psychoanalyst with that of alcoholics anonymous: "I try to wean them away from their Genghis Khan characteristics." Simply telling the truth may get nowhere. "Very often these people are like Teflon. The truth just slips off."

While colleagues may be unable to prick inflated egos, companies can help prevent them from puffing up in the first place.

Gerard Egan, professor at Loyola University, Chicago, has traced the careers of many business egos who have started out as entrepreneurial talents but have eventually brought about the downfall of their companies. He cites R.H. Macy, the US retailer, and Sunbeam-Oster, the household appliance manufacturer, as examples of companies where the boss's ego has contributed to a business's rise and fall.

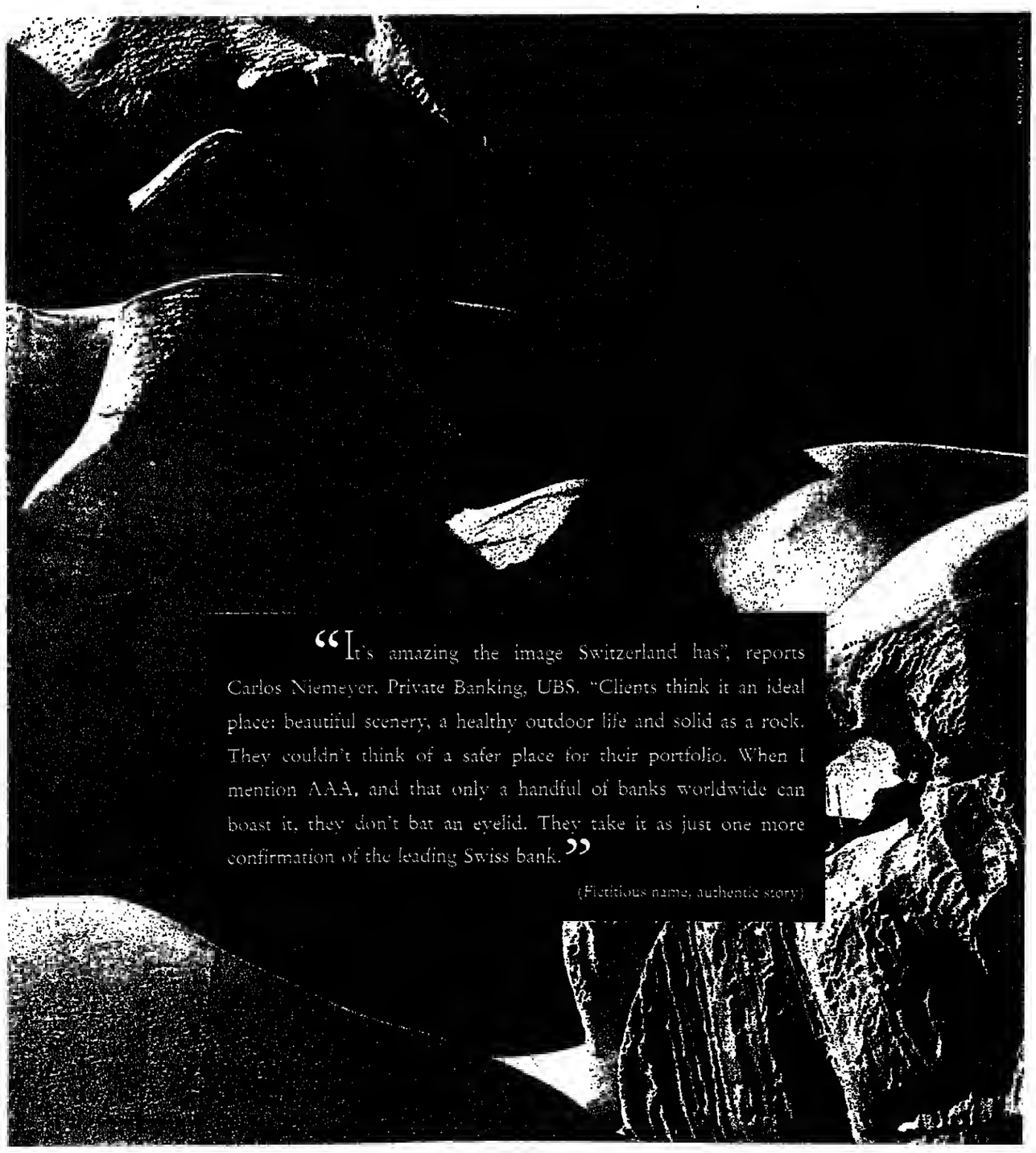
Despite the financial damage tyrannical managers can do, few companies seem aware of the problem, argues Egan. Managers and supervisors who instinctively know when to confront, when to encourage, when to leave alone, are needed, yet companies put little effort into making sure their managers have and use these qualities.

All managers need someone who will be their confidant, who will quietly tell them when they have overstepped the mark. People who constantly lose their temper need a colleague to take them aside and tell them what they look like when they get really angry.

Companies can also retard the growth of egos by appraisal systems in which peers and underlings as well as their superiors give their views. This all-round view may discourage damaging behaviour before it becomes too deeply entrenched.

Not all big bosses let success go to their heads. Kets de Vries singles out Richard Branson for praise. Egan mentions Bill Gates. Those who have been bawled out for criticising Branson or have seen Gates' plans for a multi-million dollar underground bunker might not agree.

Yet the point is not that these two are modest. It is, as de Vries says, that they have "put their narcissism to good creative use".



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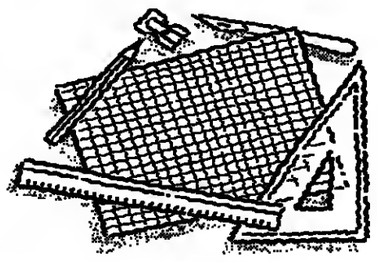

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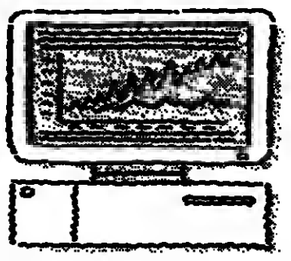

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Alastair Muir

Forceful Wagnerian: John Tomlinson as the shoemaker Sachs in Covent Garden's new Meistersinger

Opera/**Max Loppert**

High spirits in Nuremberg

The first new production of the Royal Opera's 1993-94 season is the company's first new *Meistersinger* for 24 years. Its plentiful high spirits are distilled from e combination of hright primary colours, strong involvement in leading roles, innumerahle pinpoint comic cameos, and a multitude of cheeky ingenuities of design and festive amusements in the final scene.

Of all the myriad ways of tackling Wagner's overflowing, inexhaustible masterpiece, this one is undoubtedly timely and aptly calculated. After decades of looking to Germany for its Wagner modes and manners, Britain's "international" opera company now chooses for itself a youthful British production team (Graham Vick, producer, Richard Hndson, designer). The conductor is Bernard Haitink, a Dutchman long cherished as one of the glories of British musical life. Apart from the Swedish Walther, the cast is entirely anglophone, and full of expectation-arousing newcomers to their roles.

By all these collaborators the overall "accent" of the performance has been devised with conviction and decisiva purpose. The design style is a brilliant theatrical recreation of Breugel, in all his earthy red-bloodedness, and Bosch, in all *his* fantastic inventiveness. Hudson's acene-settings (expertly lit hy Wolfgang Göbbel) are no simple tableaux-vivants but a marriage of 16th-century and late 20th-century artistic vision.

The tricks enacted with scale and perspective – sometimes broadly jokey, as in fhe start to Act 2, sometimes wildly surreal, as in the riot, with figures dangled madly from apertures in the roof – are at once post-modern and authentically "period". Costume colours in the finale likewise: cod-pieces flying, this is a Breugel public jollification filtered through the production team's 1990s theatrical intelligence.

In many ways Covent Garden showed us one of the most broadly enjoyable of *Meistersinger* stagings. No doubt it is pure critical curmudgeonliness to have spent Friday evening as I did, simultaneously celebrating and regretting the production stance. At certain points this regret was easily explained: after so much naughty knockabout the gloriously hushed close to Act 2 goes almost unrecorded – except by the intrusive squeaks of the mobile set-partitions as they return to home base.

Generally, though, It took the form of a growing awareness that the hreadth, depth and, above all, quiet centre of the music were awakening precious few echoes in the events on stage. So much personalised detail among the Mastersingers! So many pratfalls for David and his workmates! So little evening shade and reflective calm in the Act 2 streets of Nuremherg – and only one parched-looking linden tree!

Repeatedly I found myself longing for a *Meistersinger* less determinedly upbeat. Darker shadows are there for the searching-out; and while the notion of *Meistersinger*-as-Nazi-triumph – as recently explored in a controversial Frankfurt production – might be inappropriately downbeat for a Covent Carden audience, the opera affords a more complex experience than here suggested.

Two additional possible causes for these mixed feelings suggest themselves. The first is that Haitink, at his best a Wagnerian of incomparably muscular, direct grip, seemed for the first two acts to be exercising that grip excessively hard. The sound was often oddly ahrasive, unblended, with "interesting" stray ends of hrass and choral timhre allowed to protrude, and solo voices sometimes covered. The beautifully thoughtful moulding of the Act 3 gave a taste of the settled-in Haitink *Meistersinger* soon (no doubt) to be achieved.

The second concerns the new Sachs, John Tomlinson, a serious, forceful, deeply committed artist already much prized as a Wagnerian on the Continent and here receiving his belated "hig chance" at Covent Carden. The voice is a mighty instrument – and goodness, how mightily he uses it! On this evidence his hass lacks nothing in Sachs stamina and range hut (to my mind) almost everything in Sachs *Innigkeit*, meditative melancholy, gentleness of statement, and all the other Sachs qualities dependent on legato line steadily sustained. Leaping about like a neurotic leprechaun, Mr Tomlinson certainly captures the shoemaker's restless energy; in voice and person this Sachs is all of a piece.

The rest of the cast promote more traditionally Wagnerian vocal values, though peak form eluded most of them on Friday. Cösta Winhergh's Walther, handsomely solid and well-balanced of tenor timhre from beginning to end, needs to produce more personality, more conversational vitality; Deon van der Walt's David, so full of bounce, needs to find more charm and sweetness in his Act 1 recitalion: Nancy Gustafson, an Eva of picture-hook good looks and apt vocal warmth, needs to make far more of her words. Two Covent Carden "old hands" at this opera – Gwynne Howell (Pogner), Anne Howells (Magdalene) – gave great pleasure.

And so does Thomas Allen's first Beckmesser, easily the greatest of the evening. It is perhaps a problem – but more for others on stage than the audience – that much of the finest singing should be delivered hy this particular character; hut there is more to the performance than excellently clean, stylish, colourful vocalisation. In a hrilliant feat of character observation, with dead-fish hands a-flutter, spectacles a-fidget, glances madly snatched, with point and purpose in its tiniest eyelid-flicker, Beckmesser's warped intelligence and swiftness of perception are newly imagined. And, as a result, the whole opera is newly enlivened and enriched.

Royal Opera, Covent Garden: in repertory until November 13; sponsored by Cable & Wireless and Friends of Covent Garden

Architecture/**Colin Amery**

The power of prudence

It stands like a blushing giant dwarfing its insipid neighbours. Alfred Waterhouse's (1830-1905) Gothic palace for the Prudential Assurance company has confidently gazed out on London's High Holborn since its arrival in 1879. This week the Queen is to take tea there to mark the completion of a total refurbishment and rehuilding programme which the Prudential Corporation initiated in 1989.

I have always thought that "the Pru" was a wonderful huilding that guarded a great secret. I recall vividly the excitement of glancing through the great Gothic entrance gates as a child and seeing the dark silhouette of the winged bronze angels on the war memorial. Two huxom lady angels dip their uncovered hreasts towards the limp and almost skeletal hody of a dead British soldier. Was he insured with "the Pru", does he feel the sense of confidence that emanates from these sturdy red walls? Part of the power of the building comes from the power of "the Pru". Insurance companies became very rich and powerful in the 19th century and their headquarters in the City of London and their hranches around the country were designed to exude stability and, indeed, prudence.

It was natural for a company such as the Prudential to commission the leading Victorian commarcial architect, in the shape of Alfred Waterhouse. He was rightly renowned for his clear planning and for his enthusiasm for a free, picturesque Gothic style. His greatest works that survive are London's Natural History Museum and the Town Hall in Manchester. His most successful design was sadly never built. It was a competition design for the Law Courts in the Strand which Waterhouse prepared in 1866. The competition was won hy George Edmund Street hut Waterhouse's scheme was far more romantic, with tall Gothic towers that would have rivalled the Palace of Westminster and turned Thameside London into a second Camelot.

Waterhouse must have heen a strange mixtura. He came from a Quaker Liverpool family, and yet was clearly a deeply romantic artist. His work combined the two sides of his character: his plans were brilliantly workable and his experiments with new materials and new forms of construction highly successful, and yet no one designed more romantic skylines or painted more delicate watercolours. He was that rare thing, the artist-architect who was supremely practical.

Waterhouse gave the Prudenhial's head office the sense of reliahilty and permanence that the company clearly wanted. The big, central Gothic tower over the entrance to the inner court does not soar to heaven; it has a solidity, despite its spiked pyramid roof. There is less detail here than Waterhouse was to apply to the Natural History Museum and much of the internal decoration, although good, is economical and repetitive. Faïence tiles and ornaments gleam after the refurbishment; their vivid colours, especially the sharp yellow, are very vihrant.

In 1989 the great halls did not seem to suit the arrival of personal computers. The days of thousands of clerks had passed. The company wisely decided to restore and refurhish the best of the old buildings and to redevelop the rest of the site over which they had spread, between Holborn, Leather Lane, Geville and Beauchamp streets. Seen from the air, there is now more new than old huilding on the site. The Prudential's own architects and the firm, EPR Architects, have added two new buildings and four glazed atria, providing many lettable offices as well as the streamlined modern offices within the listed huildings.

There are big gains. Waterhouse Square is now at the centre of the site and is a puhlic right of way in daylight hours. It provides a quiet pedestrian square and an opportunity to see much more of Waterhouse's original huildings. The view of the glazed hridge by Waterhouse is particularly intriguing. What were his sources for this glass bridge of sighs? His use of terracotta is everywhere, demonstrating how sensible and practical it is for the damp northern European climate.

And what of the new work? The Prudential's tradition of patronage continues, particularly in the public spaces of the new offices. In their own main entrance hall, the company has commissioned a work from a young sculptor, Sally Matthews. "The Dogs and the Peacock" is a free-ranging group of lurcher dogs chasing a peacock across the reception hall and up to a high balcony. It symbolises man's faithful friends chasing away vanity and pride. I have to say that although the work is good of its kind, it does not seem to work in this space.

The other new element of this project is the entrance hall to the speculative offices called No. 2 Waterhouse Square. It has become almost the norm for developers to invest a great deal of time and talent in the design of a huge atrium or hall as an approach to what are essentially mundane serviced office floors. This new atrium is no exception, an almost circular space with a sweeping marhle staircase that rises behind a ramped curved marble wall. I had a distinct impression that I had somehow strayed from the Victorian probity of Waterhouse's Gothic halls to some millionaire's marble folly in Miami. I have to admit, however, that I was fascinated hy the centrepiece of this extravaganza which is a sculptural installation of a great granite sphere which is constantly supported on a pad of water under high pressure that allows it to spin freely, despite its enormous weight.

Waterhouse has been much blessed by this redevelopment. His version of the Gothic does not seem a pale imitation of the medieval. It shines out in its new surroundings as an intelligent, prudent and measured exercise of Victorian civic architecture at its best.

I am sure the masters of the Prudential Corporation are familiar with the Titian in the National Callery that shows the triple human-headed figure of Prudence and bears an inscription that could be roughly translated as a motto for this redevelopment that has married past and present with some success: "From past experience the present acts prudently lest a future action be vitiated."

Theatre/**Andrew St George**

Jamais Vu, Always mad

At the start of his one-man show *Jamais Vu* at the Cottesloe Theatre, Ken Campbell scans the National Theatre's programme to check what he is supposed to be doing. While the David Hare trilogy continues at the Olivier Theatre, Campbell's own remarkable trilogy can be seen on Saturday 23 Octoher at the Cottesloe. After all, he opened the theatre in 1977 with the eight-hour *Illuminatus*.

Jamais Vu feels like the third leg of a quadruped. Its forerunners are *Recollections of a Furtive Nudist* (1988) and *Pigspurt* (1992). The shows are made up of personal stories which Campbell says he dare not tell his friends: "But it seems all right if people have paid." *Recollections* led Campbell into a case of "enchanted vanishment" tracking down a vanishee from King's Cross to St John's, Newfoundland; *Pigspurt* led him on a sociobiological quest based on the shape of his nose.

Campbell's style is perplexing, infuriating and refreshing; sometimes hilarious, often scatological, and always mad. It is no accident he went to school in Barking. His contribution to British theatre is radical and immense, including a 22-hour show at the ICA and the Science Fiction Theatre of Liverpool; and he has shaped portrayals of lunacy in other media, from *The Hitchhiker's Guide* for radio to his own *The Modness Museum* for television.

Quintessential Campbell is a dizzying monologue which defies gravity before toppling into itself; add the twitching right foot, the eyehrows like elevators and the nasal twang of his voice, and Camphell materialises. In *Jamais Vu* the he uses a sink plunger to model his narrative. This is nowhere near as fine of funny as its precursors, bnt it does deviate into sense and wit.

The impossihle story turns on a notice outside the hut of Chief Jack Naira of Tanna in the South Pacific: *We believe that Prince Pilip <sic> is originally of Tanna and we want him to return home*. This information takes Campbell to the Uxbridge Secure Unit to talk to a member of the Ice Age elite, then to discrepant paperback and hardhack versions of a Prince Philip hiography and on to a world of hicycle clips and Pidgin English: *What-name you-me makim someting?* or "What shall we do?"

En route he stops for the occasional *operçu*: judges are law students who get to mark their own exams; "*Guardian* columnist" David Mellor has "the look of perhaps going to be witty in a minute"; and John Birt of the BBC is "an alien inadequately hriefed, a man with a talent for retrospective absence".

The deconstructive chaos is deftly scripted, patterned and now published. Campbell's hrilliance is his bravery and his disregard for what others think of his kind of intelligence. Colin Watkeys tries to direct.

'Jamais Vn' is at the Cottesloe Theatre (071 928 2252) on 13, 14, and 22 Octoher. 'Furtive Nudist', 'Pigspurt' and 'Jamais Vn' are at the Cottesloe on 23 October. 'Jamais Vn' is also at the Riverside Studios (081 748 3354) from 3 to 23 November

Alastair Muir

Ken Campbell: brave and chaotic in 'Jamais Vn'

Concert/**Richard Fairman**

Strauss and Stravinsky

It was the small size of its andiences that originally prompted the BBC Symphony Orchestra to shift some of its South Bank concerts into the smaller Queen Elizabeth Hall. Having made the move, it has evidently decided to turn economic necessity into musical virtue.

Although the orchestra's Strauss and Stravinsky series mostly consists of full-scale works heing played in the Royal Festival Hall, Friday's concert was in the QEH and stripped the BBCSO down to chamber-orchestra proportions. The programme explained in some detail how the two composers of this series have nothing in common – an uncontroversial opinion, except that this particular evening showed them heading down very much the same retrospective path.

All the music was signposted "neo-classical". Richard Strauss's Suite from *Le Bourgeois Gentilhomme* evokes the world of Beaumarchais with minuets, the once *enfont terrible* of a composer prancing round in a perfumed wig. Stravinsky's *Dumborton Ooks* draws its style from Bach and *Pulcinella* its material from Pergolesi. It would be interesting to create a series examining why these forward-looking composers preferred to look back in middle life.

A few years ago it would have been difficult to imagine the members of the BBCSO exposing themselves to music-making on a small scale with any confidence of success, but these days the orchestra has no reason to he afraid. The playing of a dozen or so soloists in *Dumbarton Oaks* was trim, accurate, exactly rhythmical, down to the precise double-dotting of the horns.

We know from his Strauss in the opera-house (and *Daphne* at the start of this series) that Andrew Davis is able to sort out the complex textures of a Straussian orchestral score with lucidity. His performance of the Suite from *Le Bourgeois Gentilhomme* was tightly controlled, hut also characterful, witty, cool-headed and chaste where others might surrender to its lusher moments.

As to the *Pulcinello*, there was no comparison between this and Simon Rattle's recent performance at the Proms, which in retrospect was effortful and sluggardly (though he did have more players weighing the music down). Davis and his chamber-sized BBCSO had shed pounds of excess fat and emerged slimmer, fitter, scintillating in the way one always imagined this music sbould be. Lynne Dawson, John Graham-Hall and David Wilson-Johnson made a fine trio of vocal soloists. Unqualified delight.

Final Strauss and Stravinsky concert at the Royal Festival Hall on 12 October

INTERNATIONAL ARTS GUIDE

■ BERLIN

OPERA/DANCE
Deutsche Oper The company has just returned from a month in Japan, and will present an illustrated report of the tour on Thurs. Repertory performances begin on Fri with Peter Schaufuss' production of Nutcracker, followed by Die Zauberflöte on Sat and Der Rosenkavalier on Sun (341 0249)
Staatsoper unter den Linden Repertory includes Tannhäuser, Rigoletto, Giselle and Roland Petit's new ballet inspired by the paintings of Otto Dix. Oct 30, Nov 7, 14: Daniel Barenboim conducts Harry Kupfer's production of Parsifal (200 4762/2035 4494)
CONCERTS
Schauspielhaus Tonight: Daniel Nazareth conducts MDR Symphony Orchestra in works by Grieg and Mendelssohn, with piano soloist Lars Vogt. Wed and Thurs: Zoltan Pesko conducts Berlin Symphony Orchestra in works by Zemlinsky and Mahler (2090 2156)
Philharmonie Tomorrow: Pinchas Zukerman, accompanied by Marc Nalkrug, plays violin sonatas by Mozart, Beethoven and Mendelssohn. Wed, Thurs, Fri: Claudio Abbado conducts Berlin Philharmonic Orchestra in a Mahler programme, with soprano soloist Barbara Bonney (the orchestra is on tour in North Amarica Oct 17-Nov 1). Sat: Maurtzio Pollini plays Beethoven piano sonatas (2548 8232)
Staatsoper unter den Linden Fri and Sat: Georg Solti conducts Haydn's The Creation (200 4762/2035 4494)

■ NEW YORK

THEATRE
● Later Life: A.R. Gurney'a witty and perceptive new play about the reunion after 30 years of a man and woman who were once in love (Westside, 407 West 43rd St, 307 4100)
● Angels in America: the first half of Tony Kushner'e epic, freewheeling play about gay life, Reagan-era politics and Mormonism. Not to be missed (Walter Kerr, 219 West 48th St, 239 6200)
● She Loves Me: tha 1963 Bock, Harnick and Masteroff musical makes a long-awaited return to Broadway in a transfer of Scott Ellis' Roundabout Theatre production first seen In June. A delicata, unabashedly simple story, with all the humanity, integrity and charm that Broadway's glitz-ladan mega-musicals lack (Brooks Atkinson, 256 West 47th St, 307 4100)
● Kiss of tha Spider Woman: s Kander and Ebb musical, based on the novel by Manuel Puig, directed by Harold Prince, with e star performance from Chita Rivera in the title role (Broadhurst, 235 West 44th St, 239 6200)
● Annie Warbucks: Kathryn Zaremba, an infant phenomenon if ever thera was one, has tha titla role in this beguiling sequel to Annie (Variety Arts, Third Ave at 14th St, 239 6200)
● Fool Moon: a comic entertainment written and performed by David Shiner and Bill Irwin, with music by the Red Clay Ramblers (Richard Rodgers, 226 West 46th St, 307 4100)
● The Sisters Rosensweig: Wendy Wasserstein's play, a comedy with serious undertones, about the reunion in London of three American Jewish sisters (Ethel Barrymore, 243 West 47th St, 2396200)
● Tommy: a musical written and composed by Pete Townshend, based on the classic 1969 rock musical by The Who and directed by Des McAnuff (St James, 246 West 44th St, 239 6200)
OPERA/DANCE
Metropolitan Opera Repertory for the next two weeks consists of Fidelio with Gabriela Benackova and Marie McLaughlin, Tosca with Maria Guleghina and Sherrill Milnes, Madama Butterfly with Yoko Watanabe and Richard Leech, and Die Zauberflöte with Dawn Upshaw and Hans Sotin. Placido Domingo sings tha title role in a new production of Verdi's Stiffelio opening on Oct 21 (362 6000)
State Theater This month'e New York City Opera repertory includes Tosca, Madama Butterfly, La Rondine, Carmen and The Mikado. There is a final performance tomorrow of Ezra Laderman's new opera about Marilyn Monroe (870 5570)
City Center Martha Graham Dance Company is in residence till Sun (581 1212)
CONCERTS
Avery Fisher Hall Tomorrow: Kurt Masur conducts New York Philharmonic in works by Glinka, Tchaikovsky, Liszt and Janacek, with violin soloist Sarah Chang. Thurs, Fri morning, Sat and next Tues: Zdenek Macal conducts Rossini, Mozart and Dvorak, with flute soloist James Galway. Fri evening: Seiji Ozawa conducts Boston Symphony Orchestra in New York premiere of Henze's Eighth Symphony, plus works by Berlioz. Oct 22: Masur conducts Leipzig Gewandhaus Orchestra (875 5030)
Carnegie Hall Tomorrow: Peter Serkin plays Bach's Partita No 6 and Goldberg Variations. Fri and Sat: Lorin Maazel conducts Pittsburgh Symphony Orchestra in two programmes, including symphonies by Brahms and Mahler. Oct 28, 29, 30: Claudio Abbado conducts Berlin Philharmonic (247 7800)

■ PARIS

OPERA/DANCE
Opéra Bastille This month'e repertory is Der fliegende Holländer and Les Contes d'Hoffmann. The Wagner (final performances tonight, Wed, Fri, next Mon) is staged by Werner Herzog and conducted by Myung-Whun Chung, with alternating casts. The Offenbach (next performances tomorrow, Thurs, Sat) has s cast led by David Rendell, Gregory Yurisich and Luciana Serra (4473 1300)
Palais Garnier Twyla Tharp and Dancers are in residance from Wed till Sat with two programmes. Oct 23-Nov 3: Ballet de l'Opéra de Paris presents a Jerome Robbins programme (4742 5371)
Théâtre de la Ville French choreographer Karina Saporta presents a new work featuring dancers of the Centre Choreographic National da Caen. Daily from Wed to Sat (4274 2277)
Châtelet Frankfurt Ballet is in residence from Oct 20 to 30 with two William Forsythe programmes (4028 2840)
CONCERTS
Théâtre Champs-Elysées Tonight: Vladimir Ponkin conducts New Symphony Orchestra of Moscow in s Rakhmaninov programme, featuring the Second Piano Concerto (Nelson Goerner) and one-act opera The Miserley Knight. Thurs: Philippe Herreweghe conducts La Chapelle Royale in sacred works by Gesualdo and Lassus. Sat: David Shallon conducts Jerusalem Symphony Orchestra in Mozart, Bernstain and Brahms. Sun morning: Musiclane from Marlboro play chamber music by Mozart and Mendelssohn. Next Mon: Jean-Philippe Collard piano recital. Next Tues: Lucia Allberti sings Italian opera arias. Oct 21: José Carreras. Oct 27, 28: Riccardo Muti conducts Orchestra National de France. Oct 29: Seiji Ozawa conducts Vienna Philharmonic (4952 5050)
Salle Pleyel Wed, Thurs, Fri: Semyon Bychkov conducts Orchestre da Paris in works by Shostakovich and Zemlinsky, with vocal soloists Edith Wiens and Eike Wilm Schulte. Oct 20, 21: Boulez conducts Messiaen (4561 0630)
Maison de Radio France Sat: Yahudi Menuhin conducts Orchestre Philharmonic da Radio France in symphonies by Bizet and Beethoven (4230 1516)
Salle Gaveau Sun morning: Marc Minkowski conducts Les Musiciena du Louvre in works by Leclair and Telemann (4230 1516)
JAZZ/CABARET
● Chubby and Duffy Jackson Quintet, pairing veteran swing bassist Chubby with his virtuoso percussionist son Duffy, are in residence this week et Lionel Hampton Jazz Club. Music daily from 22.30. Oct 18-30: New York Voices (Hotel Meridien Paris Etoile, 81 Boulevard Gouvion St Cyr, tel 4068 3042)
● Paris International Jazz Festival takes place during the last 10 days of the month, with a line-up including Betty Carter, Steve Grossman Quartet and Bill Evans Band. Concerts take place at Théâtre da le Ville and Maison de Radio France (4274 2277/4230 1516)
THEATRE
Jorge Lavelli's Avignon Festival production of Edward Bond's latest play, entitled Maison d'Arrêt, opens on Wed at Théatre National da la Goline (4366 4360). Bob Wilson's stage adaptation of Virginie Woolf'e Orlando, starring Isabelle Huppert, runs daily except Mon till Oct 24 st Odeon-Théâtre da l'Europe (4441 3636). Théâtre de Gennevilliers has Shakespeare's Macbeth, directed by Bernard Sobel, till Oct 31 (4793 2630). Théâtre Nanterre-Amandiers has Eugene O'Neill'a Desire under tha Elms, directed by Matthias Langhoff, till Nov 4 (4614 7000)

ARTS GUIDE

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Sunday Super Channel: West of Moscow 1830
Super Channel: Financial Times Reports 1900
Sky News: West of Moscow 0230; 0530
Sky News: Financial Times Reports 1330; 2030

A navy all at sea

Ukraine is backtracking on the Black Sea deal, says **David White**

The grey, trawler-like ship moored in front of the famous steps at the port of Odessa flies one of the rarest sights on the seas: the blue cross and trident emblem of a Ukrainian naval flag.

The Slavutich, an intelligence-gathering vessel, represents a quarter of Ukraine's fledgling navy. During its two-year naval dispute with Russia, independent Ukraine has bagged one light frigate that defected from the rest of the fleet and has commissioned ships that were under construction at its shipyards – a frigate, another light escort ship and the Slavutich. It also has a hovercraft.

The remainder of the once-proud Black Sea fleet, which traces its traditions back to Empress Catherine the Great of Russia, remains in an extraordinary post-Soviet limbo.

A summit on September 3 between Ukraine's President Leonid Kravchuk and Russia's President Boris Yeltsin at Massandra in the Crimea appeared to have settled the fleet's future status. Ukraine would give up its entitlement to half the 300-vessel fleet. In exchange, Russia would write off Ukraine's debts to it for oil, gas and electricity, estimated at $3.5bn.

But Ukraine has been backtracking ever since. A joint Ukrainian-Russian commission was set up for more detailed discussions, but the Massandra pact now seems to be a dead letter. The other agreement reached there, allowing Russia to take away strategic nuclear weapons deployed in Ukraine, has also run aground, with the two sides differing about what they actually signed up to.

Mr Yeltsin negotiated the naval deal from a position of strength. From a Russian viewpoint, it seemed financially quite generous. Mr Kravchuk had to take it or leave it.

But back in Kiev Mr Kravchuk met stiff opposition inside and outside the government. The first question put by a journalist was how he felt about betraying his country. His defence minister at the time, General Konstantin Morozov, quickly distanced himself, saying he could not be responsible for defending Ukraine's southern flank if the deal was implemented. He quit the government last week.

Ukrainian officials now say the agreement was only to study the question of a sale, emphasising that the ships-for-debt scheme was a Russian proposal.

Last week's violent showdown in Moscow between Mr Yeltsin and his political opponents has complicated the issue still further – reinforcing the Russian military's political influence and at the same time making Ukrainians even more wary of their volatile big neighbour.

The fleet, with 70,000 personnel, about 40 major warships, 18 submarines, some 250 other vessels and a similar number of aircraft and helicopters, has been the focus of tension between the two countries. But more contentious than the ships themselves are the shore-based support facilities, above all the Crimean headquarters.

Kravchuk warned: 'We could well have lost both the fleet and the Crimea'

Sevastopol. Russia's now disbanded parliament outraged Ukrainian nationalists by questioning the Crimea's status as part of Ukraine and passing a resolution in July claiming Sevastopol. The Crimea, with a majority Russian population, was given to Ukraine in 1954, when no one foresaw the break-up of the Soviet Union.

Mr Kravchuk, trying to justify himself on television, warned that pressing Ukraine's naval claims could have sparked a revolt. "We could well have lost both the fleet and the Crimea," he said.

Kiev's position is that the Russian and Ukrainian navies must be separated and that the Russians must, in time, withdraw from Ukraine. Officials say facilities could be shared while Russia builds an alternative base. Ukraine proposed at Massandra including a protocol about renting Crimean bases. But, say the officials, the Russian side would not accept the concept of rent, since that would acknowledge Ukraine's ownership.

Earlier accords have been equally flimsy. Moscow's first plan was to assign the fleet, or at least its main warships, to the Commonwealth of Independent States' joint forces. In January last year, a framework agreement was reached to give part to Ukraine. There followed three summit deals prior to Massandra:

- June 1992, in the Russian Black Sea resort of Dagomys. The fleet would in principle be split.
- August 1993, at Yalta. Up to 1995, the fleet would come under a joint commander, answering to both presidents. This was unpopular in Ukraine.
- June 1993, in Moscow. The fleet would be split 50-50, with joint use of Sevastopol.

This latter plan, implementation of which was due to start in September, provoked near mutiny among the fleet's conservative, Russian-dominated officer corps. The joint commander, Russian Admiral Eduard Baltin, called it "ruinous". He had to stop his officers repeating their protest of the previous month, when two-thirds of the fleet hoisted the Tsarist-era Russian naval flag, a blue St Andrew's cross.

For now, the fleet's warships have orders to fly the Soviet navy flag, one of the last remaining institutions to carry the old emblems. But tugs and other auxiliaries in Sevastopol fly Russian ensigns, and a corner of the harbour is reserved for the tiny Ukrainian-flag navy. It is, according to one military observer, "a complete farce".

Ukraine is clearly ready to relinquish at least part of its theoretical 50 per cent share. Officials admit the fleet is of less military than economic interest to the country. "Many of the ships are old. We can sell them . . . to Russia or another country."

On the other hand, the Ukrainians want to build up a proper navy to protect their 600-mile coastline and shipping lanes. By 1995 they will have 10 warships built. Shortly to join the fleet is a guided-missile cruiser, provisionally christened Bohdan Khmelnitsky, after the 17th-century leader of a Cossack rebellion against Poland. Ironically, the same man is held responsible for subsequently subjecting Ukraine to the rule of Moscow. For nationalist Ukrainians it might seem a bad omen.

Neil Buckley on a row between UK supermarkets and newly arrived warehouse clubs

New boys braced for store wars

Mr Paul Moulton, the head of Costco Europe, a subsidiary of the US group, jokes about his recent visit to the UK Department of Trade and Industry to discuss plans to bring warehouse clubs – which offer cut-price goods to members in no frill stores – to the UK.

"Who did I have to speak to?" he asks. "A guy named Sainsbury."

The reference is to Mr Tim Sainsbury, trade minister and cousin of Mr David Sainsbury, chairman of one of the UK's biggest retailers, J Sainsbury. Mr Moulton does not imply any impropriety in the relationship between the group and the DTI: his point is that, for outsiders trying to enter the UK retailing market, chains such as Sainsbury, Tesco and Safeway are powerful and ubiquitous opponents.

Now the "big three" chains have taken the unprecedented step of launching joint legal action against their potential competitor. The High Court will next week hear an application from the three for the quashing of planning consent for Costco's first UK warehouse club, at Thurrock, Essex. They say it was wrongly assessed as a wholesaler, rather than as a retailer.

The superstore chains have instigated legal action, on the same grounds, against another warehouse club project by UK cash-and-carry operator Nurdin & Peacock at Wednesbury, west Midlands.

The "big three" say they are opposing the clubs on a point of principle in planning law. But Mr David Poole, chief executive of Nurdin & Peacock, accuses the big three of a "sinister" attempt to "strangle warehouse clubs at birth".

Nervousness on the part of the big grocers caused by the arrival in the UK of a new breed of retailer is understandable. In the US, the five biggest warehouse club chains have grown from virtually nothing to sales of more than $28bn last year. Their combined operating profits exceeded $760m.

The concept of warehouse clubs is simple. They use large sheds to sell a range of about 3,500 goods, from cat food to camcorders, at low prices – 25 per cent or more below high street prices – to a limited membership of trade customers and individuals.

Costs are kept low by selecting cheaper sites that many retailers would reject and cutting frills, such as expensive fittings. The clubs make money by shifting large volumes and from the $25 to $35 annual fee levied on members.

Goldman Sachs, the US investment bank, has forecast that the clubs could "turn the UK retail scene upside down" and achieve sales of £2bn a year within 10 years. As supermarket margins in the UK are typically two to three times higher than in the US, warehouse clubs would not have to cut their margins as much to undercut the opposition.

But if this spells uncertainty for UK retailers, the stakes for Costco are also high. Its drive to expand overseas is prompted partly by the much tougher conditions which US warehouse clubs face at home.

Increased competition has led to saturation in some areas, while general-purpose outlets such as Costco are being challenged by a new generation of clubs specialising in products such as electrical goods. Last summer, Price Co, which pioneered the warehouse club business, was forced into a distress merger with Costco.

The big three UK supermarkets insist fear of competition is not the reason for their battle against Costco and N&P. They say it is unfair that warehouse clubs are classified as wholesalers. Planning consent is easier to obtain for wholesalers than for retailers because less detailed information is required on, say, the impact on other shops or the environment. The supermarkets say that in the US individuals, as opposed to businesses, account forabout 35 per cent of warehouse club customers and a higher percentage of turnover.

The fears that the big retailers may have about the new arrivals could be unnecessary

"We are not interested in denying warehouse clubs their place in the UK market," says a spokesman for the big three. "We are just asking for everyone to have to play by the same rules."

The government has tried to clarify the dispute. A department of the environment planning policy guidance note, PPG6, advises local authorities that "planning decisions should regard [warehouse clubs] as retail uses". Mr John Gummer, environment secretary, told Conservatives in Blackpool last week he would "clamp down on shops which masquerade as warehouses to avoid planning restrictions".

But PPG6 does not have the force of law and has been disregarded by Hertsmere borough council, Hertfordshire, which last month awarded wholesale planning permission for a second Costco warehouse club, at Bushey, outside London.

Safeway, Sainsbury and Tesco say they want to establish a legal definition of warehouse clubs as retailers to confirm the government's policy guidance.

For Costco, Mr Moulton disputes that warehouse clubs are retailers, saying that Costco is aiming to attract business from trade customers. He expects most customers to be small independent shops, restaurants and cafes. But Mr Moulton says the food superstores' case is largely based on allegations that Costco failed in some cases to follow planning procedure to the letter. "It is over process rather than issues," he says. Safeway, Sainsbury and Tesco are, he believes, trying to obstruct Costco.

Even if Costco lost next week the long-term future of warehouse clubs need not be jeopardised. It could delay and push up the cost of Costco's projects at Thurrock and Bushey, and N&P's project at Wednesbury, forcing them to submit new applications for planning consent. Future developments may take longer and cost more in the planning stages. But the advantage warehouse clubs have in being able to use cheaper sites will remain. Mr Richard Hyman, chairman of Verdict, the retail research company, says: "Will a negative judgment put their costs up? Yes. Will it make them pay a bit more for their land? Yes. Will it stop them? Definitely not."

However, the fears that the big retailers may have about the new arrivals could be unnecessary. Verdict estimates that, in the foreseeable future, the clubs are unlikely to account for more than about 2 per cent of the total retail market. "Evidence in the US is that the clubs cream off a little bit of business across a range of sectors," says Mr Paul Morris, retail analyst at Goldman Sachs.

Moreover, the big three's campaign could have backfired. One senior executive of a warehouse club operator says: "A few months ago, I was sitting with the marketing director wondering how on earth we could educate the British public about warehouse clubs. The supermarkets have done the job for us."

Some retail industry observers believe that the big three retailers' action reflects wider problems. The recession, customers' price sensitivity, the influx into the UK of other cut-price operators such as Aldi of Germany, and the increasing number of stores chasing sales in a fairly static market, have put extra pressures on the large supermarkets.

"They are feeling very vulnerable," says Mr Hyman. "In no other retailing sector have the leading players had such control. But for the first time for a decade, these people don't know what is going to happen six or 12 months down the line."

Critics who see the big supermarkets' joint efforts to halt the warehouse clubs as evidence that they are really a cosy cartel may be exaggerating. Yet the vigour of their response suggests they may fear a bigger threat to their dominance of food retailing than they have so far been ready to admit in public.

Additional reporting by Guy de Jonquières

FOCUS ON INVESTMENT BANKING

In October's issue of The Banker, we launch a major new section covering the burgeoning Investment Banking scene.

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FINANCIAL TIMES MAGAZINES

LETTERS TO THE EDITOR

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Tide must turn against ageism in workplace

From Ms Amanda Bennett.

Sir, At last. Your report of the Eurolink Age study of age discrimination ("Ageism in the workplace", October 7) rightly asks why a large part of the country's workforce is constantly swimming against the tide. As well as changes to pensions and retirement arrangements, we can learn a lot from how other countries organise their affairs.

This week people who care about age discrimination will examine what is on offer for older workers throughout Europe at a big European Year conference (October 11-13). The aim is to encourage all employers fully to recognise the value of their older staff, and to train them to the limits of their potential. But everyone throughout industry and commerce needs to look at their own attitudes towards older people in their workplace, and at the effects of their employment practices across the board.

In this European Year the tide must be turned on this particularly insidious and destructive form of discrimination.

Amanda Bennett,
general secretary,
Age Concern,
Astral House,
1268 London Road,
London SW16 4ER

Nuclear energy a failed option

From Mr Scott Denman.

Sir, Ann Bisconti, employed by the US nuclear industry to paint rosy pictures, makes a valiant, but vain attempt at statistical revisionism in her letter, "US public backs nuclear energy option" (September 29).

All recent independent national opinion surveys not generated by the nuclear industry definitively show that Americans have had enough of the costly, dangerous and unreliable nuclear power "option". Since 1982, the Harris polls, Breglio/Lake and Frederick/Schneiders have all found that 60 per cent or more of all Americans "oppose the building/construction of more nuclear power plants in the US". In fact, each year since 1975 that this unambiguous question has been asked, the result has always been a steady increase in opposition. In 1992, 65 per cent of those polled were opposed to more nuclear power development.

The 1992 poll by Frederick/Schneiders, commissioned by the Safe Energy Communication Council, found that 76 per cent of Americans want the nation to give top priority to renewable resources (like solar, thermal and wind), energy efficiency and conservation, and natural gas (in that order). Nuclear power was placed a distant fourth with only 11 per cent.

It is time for Ms Bisconti and other nuclear cheerleaders to face the music of the market place. Despite receiving 65 per cent of all US energy research and development funds since 1948, every US nuclear power plant ordered since 1973 has been subsequently cancelled. From main street to Wall Street, the nuclear "option" has failed the economic litmus test. The problem of sage, permanent nuclear waste disposal remains intractable and unsolved. Safer, cleaner and cheaper options exist today in the US and abroad.

Scott Denman,
executive director,
Safe Energy Communication Council,
1717 Massachusetts Ave, NW,
Suite 305,
Washington DC 20036, US

Market place confused on environment

From Dr A S Hearne.

Sir, Ian Rodger ("Accounting for 'green' efforts", September 29) is critical of Ciba's recent corporate environmental report for its apparent lack of clarity and comprehensiveness. He is focusing on the wrong target. He should be focusing upon the way the market place is treating environmental issues.

Despite expressions of good intent from governments and inter-governmental agencies, the market is in a state of confusion. There is no obvious way of turning sustainable development into sustainable profits, particularly when the economy needs rebuilding after recession. Consumers are showing resistance to paying a premium for environmental goods. Many companies, rather than adopting the government preferred route of Batneec (Best available technology not entailing excessive cost) are driven by poor profitability Catnip (Cheapest available technology not involving prosecution)!

Environmental management systems from the British Standards Institute (BS7750) and the EC (Emas) are complex, confusing and unnecessary for the vast majority of businesses. The EC eco-labelling initiative is proving difficult to get into effective operation. (How do all those bureaucratic processes fit with de-regulation?)

With such a confused market we cannot expect companies to be clear about the best ways of reporting. When the legislators, institutional investors and consumers are clear about what they want, the market will deliver it and companies will tell us how it is done. The cart needs a horse – preferably at the front.

A S Hearne,
managing director,
RPS Group,
Centurion Court,
85 Milton Park,
Abingdon,
Oxfordshire OX14 4RY

A question mark over gains expected from a Gatt agreement

From G A Roussopoulos.

Sir, I wish to question Samuel Brittan's presentation of the gains to be expected from a successful conclusion to the General Agreement on Tariffs and Trade negotiations ("Where Gatt's $200bn really comes from", October 4).

First, the reference to net world annual gains of $213bn a year by 1992 is in itself no more than a rhetorically stunning device. Its real significance is indeed best shown as 0.75 per cent of world income at that time, plus or minus an uncertainty factor which probably exceeds that figure, and which should be seen in the context of uncertainties in the income itself in 2002, which can hardly be less than plus or minus $1,300bn. Nor may it be assessed, as he suggests, as a third of a normal year's growth because it is not a renewable extra element each year, but, if it arises, a once for all increase to a first order of approximation. It may also be compared with inherent errors in the estimations of past actual incomes which themselves are likely to exceed that 0.75 per cent. In other words, the eventual effect will be so small as to be untraceable.

Second, one cannot confine ooeself to a purely technical economic analysis – there are factors to be considered of probably far greater importance to the man in the street than a financial effect of 0.75 per cent, even if economists prefer to neglect them because they are outside their frame of reference, or because it has become politically incorrect in recent years to question whether wholly free markets are always a good thing.

The experience of quasi-free global financial markets in which aleatory surges of Gadarene financial opinion often swamp longer-term aspects would suggest that the erection of partially autarkic zones, acting like dams on a great river, may save millions of people from sacrificial drowning on the altar of abstract three-quarter per cent trade theory without reducing the availability of water. While the Soviet extremity of the economic spectrum has been spectacularly discredited, one should also note that the opposite end, perhaps best represented by the US, has equally clearly demonstrated its own limitations in recent decades.

Variety in societies is important. Nations should retain freedom to seek their own balance between financial and other indicators of a good life.

G A Roussopoulos,
March House,
Churt Road,
Hindhead, Surrey GU26 6PR

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FINANCIAL TIMES

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Monday October 11 1993

Priorities for EC growth

AT THEIR WEEKEND gathering in Belgium, most European Community finance ministers had two purposes uppermost in mind. The first was to show the Community is still somehow on track for economic and monetary union by the end of the decade, despite the emergency widening of currency fluctuation bands in August.

The second was to develop a strategy for economic recovery, without which any plan for improved monetary co-ordination – let alone the much more ambitious target of irreversibly fixed exchange rates – will founder.

The ministers are a long way from accomplishing either objective. But by apparently placing greater emphasis on the second aim rather than the first, they seem to be drawing sensible conclusions from the crisis in the exchange rate mechanism.

Ministers stressed the need to restore convergence of recession-hit EC economies, but rejected rigid targets for a return to greater exchange rate stability. This order of priorities is a necessary – but not sufficient – condition for eventual resumption of the annual 3 per cent growth rates needed to bring down unemployment.

The ministers wisely put aside the earlier idea of reintroducing narrow ERM bands on January 1 1994. Instead, the system will continue indefinitely in its new flexible form. ERM members thus have more opportunity to tailor their monetary policies to their own needs rather than to Germany's. Countries which have not yet made use of their flexibility to make more aggressive cuts in short-term interest rates should be preparing to do so.

The French government argues that, by not responding to the August widening of bands with greater monetary easing, it has sustained sufficient credibility to enable long-term French interest rates to fall to German levels. In spite of the strains of unification, yields on long-term German debt are now just below 6 per cent, for only the third time in 25 years.

However, precisely because of France's achievement in reducing its inflation rate to well below Germany's, real long-term interest rates in France, as in most other EC countries, are still too high.

An important pre-condition for the necessary further fall in capital market interest rates, in Germany and elsewhere, is that Germany itself reaches long-delayed convergence with most of its EC partners by reducing its inflation rate to the Bundesbank's 2 per cent target.

To prepare the way for recovery, EC governments need to reassert fiscal control and to implement growth-generating measures. One welcome sign is the effort many EC countries are now making to cut rigidities in labour markets. As Mr Jacques Delors, the Commission president, stated at the weekend, a quick EC escape from recession is unlikely. But by re-establishing the primacy of economic reality over political vision, the Community is helping to ensure that the recovery, when it comes, will be sustainable.

Cutting red tape

MR NEIL HAMILTON, the minister in charge of the UK government's deregulation initiative, made a fine knock-about speech at last week's Conservative party conference. At one point, he produced a print-out several feet long listing 3,500 regulations burdening business and ripped it to pieces. Unfortunately, hacking back the jungle of red tape will not be as easy as tearing up a piece of paper in front of the party faithful. Everybody applauds the idea of cutting red tape in theory. But when it comes to repealing specific rules, enthusiasm can rapidly turn to hostility.

The snag is that one person's regulation is another's protection. Rules are used to protect workers' jobs, consumers' health, investors' wealth and even big businesses from competition. Regulation can also be attractive to the Treasury as an alternative to public expenditure. Given the vested interests stacked up against an assault on red tape, it is not surprising that many observers believe the initiative will run out of steam.

The prognosis is probably not so dire. A deregulation bill, to be introduced in the autumn with strong backing from Mr John Major, will subject every regulation to a cost-compliance test. Given that form-filling and the like is estimated to cost business 2-3 per cent of GDP, calculating administrative costs could get legislators to think twice before legislating. Ideally, some estimate of the overall economic costs should be attempted as well. Regulation can prevent managers from devising the most efficient methods of running their businesses, which is even more expensive than the crude compliance costs.

But other tools are also needed for an effective campaign. One could be to adopt the US practice of "sunset" regulation, where rules automatically expire after a certain date unless legislators make a conscious decision to renew them. Another could be to spell out the way that regulation can be counter-productive. For example, it seems likely that railway safety rules have so added to fares that passengers have switched to cars – a much more dangerous method of travel.

The really radical approach would be to adopt a new philosophy to regulation. Government should set out general regulatory objectives instead of specifying detailed ways of achieving those objectives. Such an approach would, for example, allow a mass of detailed health and safety rules to be replaced by more generally-defined duties on employers to take care of workers' health. The incentive to do so would be the threat of large damages.

Mr Hamilton will win easy plaudits by repealing a few dotty rules such as that requiring people baking cakes at home for charities to have two separate sinks. But the danger is that ministers will be content with such a piecemeal approach, while leaving the bulk of regulations untouched. If that happens, the conference boasts will come to nothing.

Unbending steel

THE FURTHER breakdown of talks on the multilateral steel agreement (MSA) in Geneva last Friday may not have been wholly surprising, but it is dispiriting all the same. The issue's importance goes far beyond the steel industry. Until the MSA is settled, there can be no agreement on steel tariffs under the GATT: and until steel tariffs are settled there can be no conclusion to the Uruguay Round, due by the end of this year.

The sticking point last week seems to have been the same as before. Although 30 countries are involved, the nub of the argument concerns the US and the EC. The US negotiators condemn EC subsidies; the EC negotiators rail against US tariffs. It is inconceivable that either tariffs or subsidies could be abolished, by the end of the year at any rate. US companies are entitled to protection under US anti-dumping legislation. EC voters will not accept massive steel closures without subsidies to ease the pain.

The EC steel crisis is at the root of the difficulty in more ways than one. Mr Karel van Miert, the EC's competition commissioner, has to perform the usual Brussels juggling act between the competing claims of member states while at the same time staying within the EC rules on subsidies and state aids. On top of all that, he has to ask himself whether the result will satisfy the negotiators around the MSA table. It seems a lot to expect by Christmas.

Perhaps the situation looks unduly gloomy in a European perspective. There is a view in Washington which says that agreement was scarcely to be expected this far away from the deadline: wait till next month, and it will be another matter. In any case, runs this argument, the Clinton administration has in recent weeks spent as much time listening to US steel users, who are naturally opposed to tariffs, as it has to producers. If Mr Clinton is turning his back on big steel, this certainly represents a break with tradition. This is also an administration which believes in industrial policy, at least by comparison with its two predecessors. It is therefore more likely to see eye to eye with Brussels on matters of ideology.

If this proves the case, well and good. It is worth considering what steps to take if it does not. Somehow or other, the GATT negotiators seem to have got themselves into a position in which momentous issues of world trade cannot be agreed in principle until the details of one particular commodity have been hammered out in practice. This seems a peculiarly perverse mismatch, given that the commodity in question is beset by difficulties caused not merely by the world recession but by the fall of the Berlin Wall. It would plainly be preferable for the MSA to be agreed by the year end. If it cannot, it would be sensible for the GATT negotiators to be pragmatic. Fix the outlines of a steel tariff agreement, settle the Uruguay Round, and tidy up the details later.

The pressures to privatise telecommunications in the EC look irresistible, writes **Andrew Adonis**

Whose line is it anyway?

It is a fair bet that most of Europe's state telecommunications companies will be privatised over the next five years.

By the end of the decade, telecommunications could be Europe's largest equity sector, ahead of banking. "In the next three years alone, telecoms companies with combined capitalisation of $44bn look set to come to market," says Mr Richard Ryder, telecoms analyst at Salomon Brothers.

The pressure to privatise comes from three sources: overburdened state budgets; under-resourced state telecommunications networks; and the liberalisation of national and international telecoms markets, which is undermining the position of state monopoly public telecommunications operators (PTOs).

The balance of pressure varies between countries. But none is immune and, with the European Community now resolved to liberalise national markets for voice telecommunications traffic from January 1998, pressure can only increase.

The predicament of Ireland's Telecom Eireann illustrates the position of Europe's small and medium-sized PTOs. In some respects, TE is not unfavourably placed. Ireland has been granted a five-year extension beyond the 1998 competition deadline, so a state-owned TE could hide behind its monopoly for another decade. After a heavy investment programme in the late 1980s, three-quarters of Ireland's exchanges are digital and TE provides an array of value-added services such as call-itemisation on bills.

Yet few TE executives believe the status quo is viable, even in the medium term. Overseas operators offering businesses call-back and leased-line facilities are fast eroding TE's international revenue. To staunch the flow, a recent radical "rebalancing" of tariffs has reduced TE's international prices sharply, while increasing local charges.

But that is only a palliative. Interest charges on 1980s investment are consuming half of TE's operating profit. If margins continue to fall, TE's investment plans will suffer; so will the profits the government creams off.

The worst-case, but plausible, scenario for five years hence is dire. It has overseas operators forcing down TE's international tariffs and taking a large slice of its profit; with dearer local calls, voters are attracted to claims that price cuts will result from competition from, say, cable TV operators offering telephone services; and state-owned TE is left with a £1bn debt, an ageing network, 10,000 employees and a universal service obligation in a country with more remote rural subscribers than New Zealand.

It is not surprising, then, that TE is engaged in talks with Cable and Wireless, the UK group, about a possible alliance. When news of the C&W talks broke in the spring, Brian Cowen, Ireland's communications minister insisted that "privatisation is not on the agenda". Yet in accepting that alliances were vital to maintain TE's position "in a sector which is moving at an accelerating rate", he highlighted the dynamic likely to prompt privatisation sooner or later.

The scale of the sales involved in these privatisations is breathtaking. Severing links between PTOs and the public sector confronts established interests at every turn. The regulatory implications are equally far-reaching, challenging notions that the state should control "strategic" industries.

For investors, telecoms companies and merchant banks queueing to offer their services, the opportunities created by privatisation are legion. Current evidence suggests former state PTOs will head the list on most of Europe's stock exchanges in terms of capitalisation, opening up a large blue-chip sector for institutional investors. Telecommunications companies keen to diversify will have an array of new strategic options.

The UK led the way on telecoms privatisation. The sale of British Telecommunications was completed this summer, nine years after the disposal of the first tranche of government shares. At nearly £27bn, BT has a capitalisation far ahead of any other UK-based company.

Across the rest of western Europe, the industry can be divided into four broad groups.

● **Listed companies.** Part or all of the PTOs of Denmark, Spain, Italy and Portugal are listed companies.

Only a third of the shares in Telefónica, the Spanish operator, are still owned by the state. Nearly half of the shares of Stet, the Italian telecommunications holding company, which controls six operating and manufacturing companies, are in private hands. Marconi, one of Portugal's three state operators, which handles international traffic, is only 51 per cent state-owned. Eleven per cent of the shareholders in Tele Danmark, the Danish PTO formed two years ago from the merger of four regional operators, are non-government.

The Danish government plans to reduce its PTO stake to 51 per cent over the next year, probably in a sale next spring. Both the Spanish and the Italian governments are likely to reduce their PTO holdings before long. The Portuguese telecoms industry is being rationalised and further privatisation is under discussion.

● **Companies to be privatised from scratch.** Germany and the Netherlands are the principal candidates. A bill to privatise KPN, the Dutch postal and telecommunications operator, is before the Dutch parliament. Legislation to alter the German constitution is to be introduced this autumn to allow for the sale of shares in Deutsche Telekom. More tentatively, Turkey's governing coalition has agreed to privatise 49 per cent of the country's PTO.

● **State-directed PTOs.** A decade ago, virtually all Europe's PTOs fell into this category. Only Austria, Norway, Luxembourg and Switzerland are likely to remain there. Should the Greek socialists take power after yesterday's election, Mr Andreas Papandreou, their veteran leader, is pledged to halt the privatisation of OTE, the Greek PTO. Its fate thereafter is unclear.

● **Corporations.** Five PTOs – those of Belgium, Finland, France, Ireland and Sweden – are, or soon will be, corporations. Although still owned by the state, as corporations they have legal autonomy and substantial operational independence.

Most of the corporations are heading towards privatisation at greater or lesser speeds. "Given the pressure to introduce competition and fund expensive investment programmes, I would expect most of them to be in the private sector within five years," says Ms Kathy Burrows, telecoms analyst at Dataquest Europe, a consultancy.

'In the next three years, telecoms companies with total capitalisation of $44bn look set to come to market'

What differentiates them is mainly how open their governments are about the likelihood of privatisation. Ireland's centre-left government repudiates the notion. By contrast, Belgium's prime minister has indicated general support for privatisation of Belgacom. His government is under intense pressure to reduce the country's deficit, now approaching 7 per cent of GDP, and privatisation receipts are an alluring prospect.

In July, Belgacom forged a strategic alliance with Pacific Telesis (Pactel), the US regional operator, to build Belgium's new digital cellular network. Pactel will take a 25 per cent stake in the network and participate in management. The deal is widely regarded as a trial run for full privatisation – although almost certainly with a different, possibly European, partner. If the politicians can agree a scheme, a sale may not be far off.

Europe's telecoms privatisations will not be carbon copies of each other. Each PTO has peculiarities of its own. In particular, the status of employees varies widely. Those countries, like Germany and Belgium, where most employees have civil service contracts, face a legal and political minefield.

However, two models are emerging. Governments with PTOs that believe they can thrive in the emerging global telecoms market without a strategic partner are likely to follow the UK in floating their PTOs in tranches, with the intention of disposing of most shares.

The Netherlands is proceeding down that road. A first tranche of shares in KPN will be sold early next year; a further sale is expected to follow by 1996, reducing the government stake to about 30 per cent. That will not preclude KPN making post-privatisation alliances – indeed it is already a party to several international consortia. But they will not be integral to the privatisation.

The EC's resolve to liberalise the 'voice' market by 1998, means that competition is around the corner

By contrast, smaller PTOs are anxious to use privatisation as a way of acquiring a strategic partner in the form of a big overseas operator taking an equity stake. Here, the Greek model is widely cited – although it is likely to be disowned by Greece itself.

Under it, 35 per cent of OTE, the Greek state operator, was to have been sold to a strategic partner with management control, in return for a guaranteed $7bn in investment over the next decade. Another 14 per cent of the stock would have been floated on the Athens stock exchange, leaving the government with a 51 per cent stake but little operational say.

However, the decision to sell is only the beginning, not the end, of the privatisation process. Key issues remain: valuation, regulation, the attractiveness of the PTOs to would-be investors and, perhaps most critical of all, the speed and terms of liberalisation.

Two things appear certain. Technological advance, plus the European Community's resolve to liberalise the "voice" market by 1998 (with five extra years' grace for Spain, Ireland, Greece and Portugal), means that competition is imminent in every country. But the regulatory structure in each country will have a large bearing on the speed it advances and the strength of rival operators – and thus on the valuation of PTOs at privatisation.

Providing rough-and-ready valuations of PTOs is easy enough, taking multiples of earnings of comparable companies, subtracting debt and allowing for local market conditions. However, as Mr Laurence Heyworth, telecoms analyst at Robert Fleming Securities, puts it: "A PTO is worth largely what the government and management says it's worth." For the valuation at sale will depend heavily on government decisions on regulation, competition, the freedom of managers to hire and fire and any sale of divisions of the PTO itself.

Thereafter, the financial motivation of management will be critical. Privatised PTOs likely to retain the character of a utility, such as Tele Danmark, will be "safe bet" investments akin to bond substitutes. By contrast, companies intent on maximising shareholder value will lead a more chequered life, floating off ancillary businesses (like cellular and directory services), giving stock options to their senior executives, and engaging in aggressive moves abroad. Mr Heyworth points to Italy as a leader in the second camp.

On competition, the essential choice for governments is whether to promote it at privatisation, or to let it arise on its own as the EC's 1998 deadline is passed. The latter is the more popular option, although the Netherlands may embrace an interim duopoly, as occurred at privatisation in the UK. Its government is inviting the country's utilities, railways and cable operators to join forces to provide a second national telecoms network.

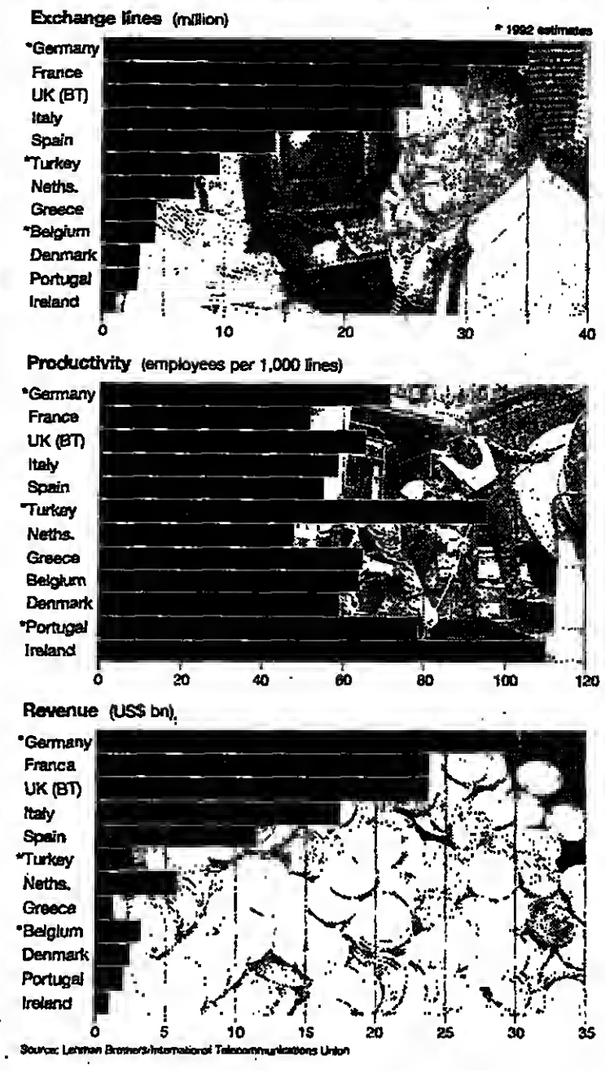
But even for PTOs not facing immediate competition, there is no easy ride through to 1998. Operators are finding ever more sophisticated means of eroding national monopolies. Cellular telephony, in particular, is opening a new avenue of competition across the continent. The first generation of cellular mobile networks were mostly low-capacity and operated as PTO monopolies. But the generation of digital services now coming on stream are high-capacity networks and, in most cases, the PTOs face competition from networks operated by one or more consortia of private, often foreign, companies.

PTOs are likely to be attractive buys. On almost every stock exchange on which they are listed, telecoms companies have been outperforming the average. Even with competition and regulation, their earnings capacity remains impressive. "We are getting plenty of 'cold' inquiries: indications of interest in forthcoming sales are extremely strong, and there doesn't seem to be much concern about saturation," says Mr David Wheeler, director of the telecoms group at Lehman Brothers, the merchant bank.

That may come as a relief to those at the end of the queue. But the fight among governments and PTOs for the front seats will be intense, notwithstanding those such as Mr Papandreou.

This is the first in a series on the privatisation of Europe's state telecommunications operators

European Telecoms: ringing in the changes



Source: Lehman Brothers/International Telecommunications Union

OBSERVER

Holmes plays hard to get

Rather odd that Sir Peter Holmes, recently retired as chairman of Shell Transport and Trading, should have accepted as his first non-executive directorship in the UK a position on the board of headhunters Norman Broadbent.

It would seem that Miles Broadbent had been sounding Holmes out for one juicy job or another, only to discover that his lunch companion was more amenable to joining his own stable.

Shortly off for a spot of fishing in Montana before indulging his passion for the outdoors in other obscure corners of the world, Holmes says he is "demobbed and loving the freedom". So far he has also agreed to go on the board of a Los Angeles global investment fund, but that is it.

The man who has been tipped as anything from the next chairman of British Gas to president of the CBI concedes he "might think again" at some point. Only institutions that are "leaders in their field" need apply.

A Shell recruiter himself in the early 1960s, he is convinced headhunters perform a useful function – though Shell, of course, was far too proud of its in-house man management abilities to look for outside help in filling anything but the most specialised of jobs.

Miles Broadbent, who headhunted Colin Marshall (now Sir Colin) to British Airways, already has Lord King aboard, as well as BICC ex-chairman Sir William Barlow. The latter has become so fired up with the business that he turns up regularly at internal management meetings.

But those who hold headhunters in the affection normally reserved for traffic wardens and estate agents are still inclined to question why Holmes chose to christen his UK portfolio with a job that looks to be rather a whimsical hobby horse.

Fledgling Fleming

■ Rupert Fleming, just down from the University of the West of England (Bristol Poly to you and me), won't be short of company in his new job as a trainee securities analyst at merchant bankers Robert Fleming. For he is the eighth member of the clan, which holds around 40 per cent of the shares, currently working for the bank.

Chairman Robin Fleming is accompanied by two relatives on the holding board: Rupert's father, Val, who comes from the investment management side, and Adam, founder of the Johannesburg office and a cousin of the chairman. Adam's brother, Roddy, works in capital markets, while the chairman's sons, Rory and Philip, are to be found in investment trust marketing and investment management, respectively. Last but not least, Catriona Fleming brokes Asian equities for that big happy family.

'Large fries and a Pro-Yeltsinburger, please.'

Whip hand

■ Nicknamed the Prince of Darkness during his eight-year stint in the government whips' office, Tristan Garel-Jones ought to get on well with Sir Robert "Black Bob" Scholey whom he joins as one of a clutch of advisers to Union Bank of Switzerland's London operation.

The global UBS environment ought to suit Euro-crazy Garel-Jones, the fluent Spanish-speaking ex-foreign office minister who turned down two or three other City offers to link hands with the Swiss.

The services of the erstwhile arch-plotter of Westminster would, of course, have come in handy last year when UBS was rife with intrigue after the sacking of the former head of UK equity research, Terry Smith.

When not out on the road selling UBS's services, might Garel-Jones now employ his legendary powers scheming to install Rudi Mueller, the tough Swiss head of UBS's London operation, as the next chairman of the London Stock Exchange when Sir Andrew Hugh Smith steps down?

Crowding out

■ Observer has already raised an eyebrow at the apparent ease with which Nigeria secured an invitation to the biennial gathering of Commonwealth members in a year when the African state has ignored the outcome of a presidential election and kept the soldiers in power. Now Chief Ernest Shonekan, the former businessman who fronts for the military as head of state, seems to be pushing his luck still further.

Commonwealth officials are appalled to learn that the chief plans to surround himself at next week's conference in Cyprus with an entourage numbering no less than 60. This is four or five times as many people as John Major will be taking; such a clutch would of course also vastly outnumber the Queen's party, an organiser points out.

So it is being gently suggested that Shonekan might make do with fewer. After all, a country seeking backing for its efforts to reschedule $34bn in external debt should perhaps be seen to be cutting back a bit on outings for the boys.

Herd instinct

■ Proof, if such were needed, that anything connected with emerging markets sets the financial world alight these days. Aberdeen Trust chief executive Martin Gilbert was returning to his office last week when he was accosted by a charming young woman waving a cheque for £2,000.

"Are you anything to do with the Emerging Economies Investment Trust?" she wanted to know, seemingly fearful she had missed the subscription deadline. Gilbert, who sits on the board of the newly-formed trust, says the offer period was in fact just minutes old. It must be all downhill from here, Martin.

Deep

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FINANCIAL TIMES
Monday October 11 1993

CAROLINA BUILDERS
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Trade treaty could be lost 'for generations'

Salinas warns US on deadline to agree Nafta

By Stephen Fidler and Damian Fraser in Mexico City

PRESIDENT Carlos Salinas of Mexico, seeking to end more than a year of uncertainty about ratification of the Nafta free trade agreement with the US and Canada, has said that if the treaty is not secured by the beginning of next year it will be lost.

The agreement – along with related accords on labour and the environment – is awaiting ratification in the three countries but is facing an uphill struggle in the US Congress.

In an interview with the Financial Times, Mr Salinas said failure to achieve passage of the agreement by January 1 would mean that "its chances would be out for several generations".

It was "self-deception" to believe another agreement could be negotiated soon if the current one was rejected.

In a statement last week, the president said bluntly: "Neither the reopening of the negotiation of the treaty nor the postponement of its coming into force are real options at this stage."

The statement suggested that rejection of the treaty would reverse recent improvements in relations with the US, pointedly noting that a few years ago "anti-US rhetoric was an easy route to popularity".

Asked for clarification, senior Mexican officials said the government would not insist categorically on the deadline if the treaty were put to the vote this year in the US House of Representatives but not voted on by the Senate until the new year. Support for the agreement is more solid in the Senate than in the House, and a House vote to ratify the treaty would almost certainly ensure its passage.

That should mean that most of the uncertainty surrounding ratification would be settled by early December, they said. Mr Salinas's six-year term of office ends next year and presidential and congressional elections will be held in August. The president and the governing Institutional Revolutionary party want the issue out of the way before campaigning begins early next year. The party's presidential candidate, traditionally chosen by the sitting president, has yet to be selected.

While Mr Salinas stressed the "historic" importance of the trade pact to Mexican-US relations, he said that Nafta was "not the only thing" going on in Mexico, and that the process of economic reform would continue without it.

Echoing the view of senior Mexican officials who believe the tide in the US Congress is turning, he said he was "optimistic" that it would be approved.

Mr Salinas said his government would introduce a new liberal foreign investment law later this year.

Were Nafta to be rejected, say senior officials, the Salinas government would try to reach sector-by-sector trade agreements with the US, and other trade accords with Latin American countries, Europe and Japan.

Yeltsin takes control of regions

By John Lloyd in Moscow

RUSSIAN president Boris Yeltsin subordinated all councils to regional administrators at the weekend in a further effort to clear the political landscape of institutions and movements presenting a challenge to his presidential rule.

He also decreed that a special commission would work out a sweeping reform of local government by this Friday. The head of the commission and its members have not yet been announced.

At the same time, he extended the state of emergency and the Moscow curfew until next Sunday. The curfew will now begin an hour later, at midnight, but will continue to run until 5am. No demonstrations had been reported in Moscow by Sunday evening, after a statement on Saturday by Gen Alexander Kulikov, Moscow City commandant, saying that any attempts to organise demonstrations would be rigorously suppressed.

The fate of the thousands of councils, ranging from the parliaments of territories larger than many countries to small town councils, remains unclear. It seems likely they will be swept away, to be re-elected at the same time as, or soon after, the new federal parliament.

Leaders of the democratic movements are in intensive negotiations with each other ahead of the Federal Assembly elections, due in December.

The main movement, Russia's Choice, led by Mr Yegor Gaidar, first deputy prime minister, is trying to construct "dream tickets" of prominent radicals to stand on allied lists.

Mr Sergei Yuzhenkov, a close ally of Mr Gaidar's and deputy head of the federal information service, said at the weekend he was holding talks with Mr Grigory Yavlinsky, the economist and presidential candidate, and Mr Sergei Shakhrai, the deputy prime minister, with the aim of persuading them to join Mr Gaidar as leaders of Russia's Choice for the election campaign.

Mr Yuzhenkov said: "Mr Yavlinsky knows the centre [on which he had previously counted for support] is now too compromised after its support of the White House and will not provide a base for him."

Mr Yuzhenkov, the main strategist for the Russia's Choice bloc, said he hoped other pro-democratic blocs would put up similar leading candidates to head their lists in the hope of producing a parliament with a pro-reform majority through election of several such blocs.

One list would be provided by the Democratic Russia movement, which has yet to choose its leaders.

Icy handshake, Page 3
Can Yeltsin be a reformer? Page 4
Nato growing pains, Back page, second section

European airlines agree size of stakes in proposed pact

By Paul Betts, Aerospace Correspondent

THE FOUR European national airlines planning to create an alliance to challenge British Airways and Lufthansa have agreed the controversial question of how to value their stakes in the partnership.

The negotiations, which could eventually lead to a full merger between Swissair, Scandinavian Airlines System, KLM Royal Dutch Airlines and Austrian Airlines will come to a head at a meeting in Zurich tomorrow.

Agreement on the complex valuation issue gives an important boost to the negotiations, confirming the four airlines' commitment to the pact.

Under the proposed Alcazar alliance, Swissair, SAS and KLM would each own 30 per cent of the new centralised management company and Austrian 10 per cent.

The airlines agreed the split could not be achieved without adjustments to reflect the relative worth of each airline.

The Swiss argued that their carrier's valuation should be higher than 30 per cent because it was not as highly geared as SAS or KLM. But SAS and KLM argued that Swissair faced a less promising long-term future because it had been losing market share in Europe, was not a European Community carrier and had higher labour costs.

The partners are thought to have agreed that Swissair's share of the joint company should be 35-36 per cent, about $250m-$350m more than the other airlines. To close the gap KLM and SAS would increase their worth by increasing their equity, while Swissair would reduce its valuation by paying a special dividend to shareholders.

The four airlines are still arguing over the form the equalisation mechanism will take. Both SAS and KLM would prefer Swissair to give its shareholders a loan note, while the Swissair wants to pay a cash dividend.

Austrian Airlines is still wavering between the Alcazar partnership or co-operating with Lufthansa. The airline's management is understood to favour Alcazar but its majority shareholder, the Austrian state, is undecided and appears to be leaning towards the German carrier.

However the three larger partners would proceed even if Austrian pulled out, sources close to the negotiations said.

Even if agreement is reached on Tuesday, the four airlines still have difficult issues to resolve, including the structure of the new centralised management company, the location of its headquarters and the selection of a US airline partner.

The choice of the headquarters appears to have been narrowed down to either Amsterdam or Copenhagen. But the choice of a US partner could prove particularly difficult since Swissair has links with Delta Air Lines, KLM with Northwest Airlines and SAS with Continental Airlines.

Early return to old ERM vetoed

Continued from Page 1

finance minister, who chaired the meeting, said he was still convinced of the need to reinforce the ERM. "But we also think there are some preconditions to be met before we talk of a return to narrow margins, and one of those is greater convergence."

In an effort to shore up the credibility of the Emu project, ministers expressed support for the introduction by the end of the year of the national legislation for Emu. They insisted on their commitment to exchange rate stability.

The legislation would allow Emu "stage two" to begin on time on January 1 1994; and it would create the European Monetary Institute, the precursor of the European central bank.

The legislation would ban governments from borrowing indirectly from central banks; bar privileged access by governments to financial institutions; encourage governments to rein in excessive budget deficits and debt; and set out the various contributions of central banks to the EMI.

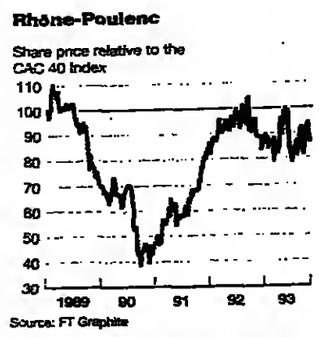
THE LEX COLUMN

A sound constitution

At least France will not be able to blame Anglo-Saxon speculators if Germany's constitutional court comes out against the Maastricht treaty tomorrow. The ruling is one of those awkward instances where financial markets have to rely on guesswork to predict what will happen. A decision that Maastricht is unconstitutional or that ratification requires a referendum would deal a body blow to any lingering hopes of European monetary union. That could cause a fresh surge of demand for D-Marks with, at the other extreme, a sharp sell-off in the Ecu bond market. Insofar as any outcome can be discounted in advance, though, the expectation is the court will give the treaty qualified approval.

The trick will be to decide how serious any qualifications might be. Anything that necessitates renegotiation of the treaty would be as awkward as an outright No. Some qualifications could turn out less innocuous than they sound. For example, the court could limit the scope for changing the economic convergence criteria, even though the European Commission might deem change necessary to maintain the progress towards monetary union.

Since the ERM was forced to scrap its narrow bands at the start of August, few people have much faith in monetary union arriving on target anyway. That may limit the market's response, especially since the D-Mark has already advanced on Friday's disappointing US unemployment figures. But a further setback for monetary union would see those gains consolidated. The question then will be whether the Bundesbank will respond by accelerating its interest rate cuts.



British Gas

The Monopolies and Mergers Commission produced a cogent and coherent view of the future of the gas industry when it proposed splitting up British Gas. Yet it must be questionable whether the academic purity of the MMC's view will survive the political realities of the government's needs. The main thrust of the MMC's view – that sustainable competition in the domestic gas market required British Gas to be broken up – runs counter to the government's thoughts. So far, the Department of Trade and Industry has encouraged competition by the simple expedient of allowing entrants in. British Gas has argued, however, that safety considerations prevent the rapid further opening of the domestic gas market. Both the DTI and MMC are, at least, agreed that competition cannot be extended and British Gas broken up at the same time. It may be tempting for the DTI to avoid break-up if it is keen on more competition.

Yet that course is equally fraught with difficulty. Rapid deregulation would lead to differential pricing between users. Then there is the question of who should pay for the extra overheads and meters needed in a competitive market. The MMC recommended that customers should bear the costs, since they were the ultimate beneficiaries. Both would be politically embarrassing for the government at the time when VAT is being applied to fuel. The government might suggest introducing domestic competition conveniently after the next election. But that would leave British Gas still bound hip and thigh to its beloved regulator.

Newspaper groups

The UK finance minister has some hard political choices to make if he intends to raise extra revenue in his November Budget. But one of the softest options – judging by the cheers at the Conservative party conference, at least – would be to slap VAT on newspapers. Recent price cuts by the Sun and The Times may be viewed Mr Clarke as an open invitation for such a move. Given the political flak that would fly however much he taxed newspapers, he may choose to apply VAT at the full rate to raise a decent amount of revenue.

That would undoubtedly come as a savage blow to the newspaper industry. Publishers would face the painful dilemma of deciding whether to pass on the increase and lose circulation or swallow the rise at the expense of margin. Against the background of sluggish advertising and rising newsprint costs, many newspaper groups would face a particularly rough time. National newspaper titles with strong franchises would be comparatively well placed to endure the pain. But the move would have a long-term impact, depressing the prospects for any subsequent price rises.

Local newspapers and magazines may prove far less robust, however. With somewhat spurious precision, the Newspaper Society suggests 245 regional newspapers would close. The Periodical Publishers Association estimates that 25 per cent of magazine titles would shut. But, theoretically, those that survived the shake-out could prosper.

Rhône-Poulenc

Of all the candidates in France's privatisation programme, Rhône-Poulenc, which is slated to follow BNP, must crave the freedom of the private sector. The company's transformation into a pharmaceuticals giant would have been difficult to achieve without government support. Yet access to equity has become a serious headache. The FFr14bn preference shares and other quasi-equity instruments which prop up the company's balance sheet could usefully be replaced with real equity. That will doubtless be near the top of the company's agenda once privatisation is out of the way.

The weight of debt cuts both ways. Ordinary shareholders are heavily geared to any cyclical recovery in profits, but interest charges and the cost of servicing preference capital will take a large slice out of profits until the upturn comes. The worry is that the downturn consistently caught Rhône-Poulenc unawares. At the time of January's partial privatisation offer – which bought the government's direct holding down to 43 per cent – the company was anticipating profits growth this year. The 11 per cent decline in first-half net profits would have been worse but for a change in depreciation policy.

Cyclical recovery in chemicals is the big prize, but it is still some way off. There is also the touchy question of healthcare reform in France, which accounts for a quarter of the company's pharmaceuticals sales. While the issue is unlikely to be addressed until after privatisation, it seems too much to hope that reform will leave Rhône-Poulenc untouched.

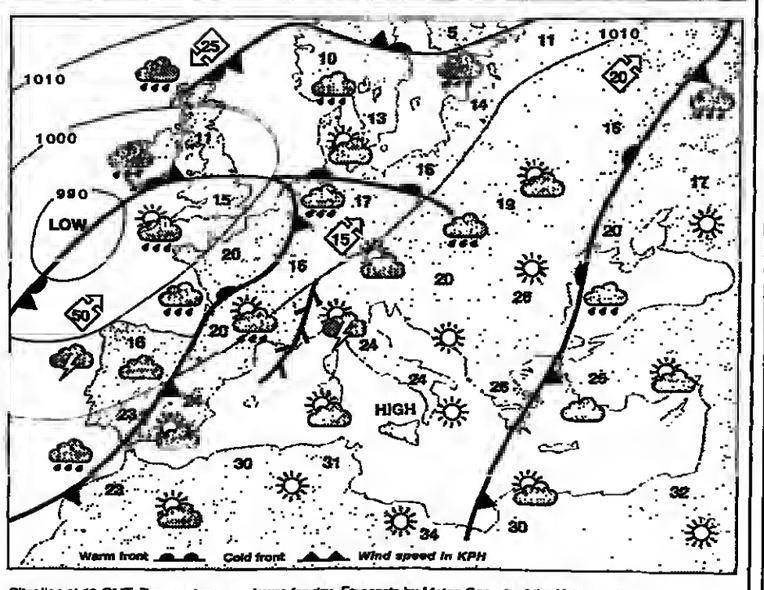
FT WORLD WEATHER

Europe today

An active front will remain stationary from central Scandinavia towards the northern CIS region, causing rain clouds over the central parts of Scandinavia. North of this boundary it will be cold with local snow. In western Europe it will remain unsettled. A frontal zone will bring cloudy and rainy conditions from the mid-UK to the Netherlands and western Germany. Portugal and Spain will be cloudy with rain and thunder showers. In the southern Alps there will be heavy showers with a risk of local flooding. Clouds will cover western Turkey, but in other parts of southern Europe it will stay sunny and dry.

Five-day forecast

Changes in the general pattern over western Europe will be unnoticed. A depression near the British Isles will leave unsettled conditions over western Europe. Most rain will fall in central regions of the UK. Cold air with local outbreaks of snow will continue over northern Scandinavia, although most of the cold will be forced north out of Finland later this week. South-eastern Europe will stay sunny and dry.



Situation at 12 GMT. Temperatures maximum for day. Forecasts by Meteo Consult of the Netherlands

TODAY'S TEMPERATURES

		Maximum Celsius																	
Abu Dhabi	sun	36	Belfast	drzzl	12	Cardiff	rain	14	Frankfurt	drzzl	20	Malta	sun	28	Rio	fair	25
Accra	cloudy	31	Belgrade	fair	24	Chicago	fair	15	Geneva	shower	20	Manchester	rain	14	Riyadh	fair	34
Algiers	fair	30	Berlin	drzzl	18	Cologne	cloudy	19	Gibraltar	thund	23	Manila	drzzl	31	Rome	fair	25
Amsterdam	shower	17	Bermuda	cloudy	29	D' Salaam	fair	29	Glasgow	rain	12	Melbourne	fair	15	S. Frsco	cloudy	20
Athens	fair	28	Bogota	thund	20	Dakar	sun	31	Hamburg	rain	14	Mexico City	fair	23	Seoul	fair	23
B. Aires	fair	27	Bombay	fair	34	Dallas	shower	26	Helsinki	drzzl	7	Miami	sun	30	Singapore	cloudy	31
Bahrain	shower	14	Brussels	shower	19	Delhi	sun	36	Hong Kong	fair	29	Milan	shower	19	Stockholm	rain	7
Bangkok	thund	32	Budapest	sun	19	Dubai	sun	36	Honolulu	sun	32	Montreal	fair	7	Strasbourg	drzzl	23
Barcelona	fair	24	C.hagen	cloudy	13	Dublin	cloudy	12	Istanbul	cloudy	24	Moscow	fair	13	Sydney	fair	19
Beijing	cloudy	22	Cairo	sun	32	Dubrovnik	sun	23	Jersey	shower	14	Munich	fair	23	Tangier	thund	28
			Cape Town	cloudy	18	Edinburgh	rain	12	Karachi	fair	34	Nairobi	fair	27	Tel Aviv	sun	30
			Caracas	cloudy	33	Faro	thund	22	Kuwait	fair	38	Naples	sun	25	Tokyo	cloudy	20
									L. Angeles	fair	22	Nassau	fair	31	Toronto	fair	7
									Las Palmas	fair	26	New York	sun	13	Tunis	sun	31
									Lima	cloudy	20	Nice	drzzl	20	Vancouver	shower	16
									Lisbon	thund	20	Nicosia	sun	31	Venice	shower	20
									London	shower	18	Oslo	rain	9	Vienna	fair	20
									Luxbourg	drzzl	17	Paris	rain	20	Warsaw	cloudy	19
									Lyon	shower	23	Perth	fair	24	Washington	fair	14
									Madeira	fair	24	Prague	fair	19	Wellington	shower	12
									Madrid	shower	19	Rangoon	cloudy	34	Winnipeg	sleet	8
									Majorca	fair	26	Reykjavik	fair	6	Zurich	cloudy	21

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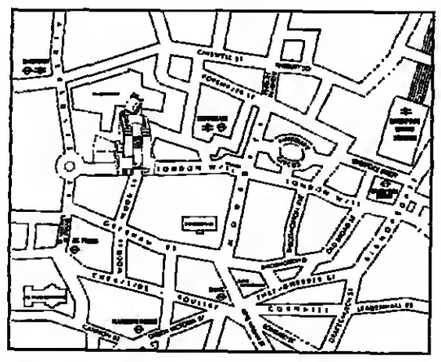

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COMPANIES & MARKETS
Monday October 11 1993

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INSIDE

US and Canada buy Chile copper mine
A US-Canadian consortium of Cyprus Minerals Company and Lac Minerals has agreed to pay up to $555m for a 51 per cent stake in the El Abra copper mine, Chile'a largest-ever foreign joint venture. Page 18

Trafalgar House loses top man
Mr Allan Gormly will next year step down as chief executive of Trafalgar House. He is expected to take a more prominent role at Royal Insurance, where he is a non-executive deputy chairman. Page 16

State of suspense

For the past few weeks, Japanese television viewers have watched the almost nightly drama of construction company executives being hauled from their homes and escorted to the Tokyo Detention Centre for questioning about their role in a political scandal. Page 18

Rally for US bonds
The US monthly employment figures sparked a strong rally in Treasury prices on Friday. Page 20

FT-SE revised classifications
A revised industry classification will apply to the FT-Actuaries All-Share Index and the other FT-SE UK Indices from next January. A full listing of the current companies in the All-Share Index in their new categories appears on Page 18

Prospective p/e ratio
The latest prospective p/e ratio for the "500" index for calendar 1993 is 15.8, according to IBES, the consensus estimates service (Last week: 15.8). This compares with an IBES estimated p/e for the "500" of 20.5 (20.5) for calendar 1992. The official FT calculation of the historic p/e, based on the latest reported earnings, is 20.12 (19.71).

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Hoechst bids for generic drug stake

By Christopher Parkes in Frankfurt

HOECHST, the troubled German chemicals group, is bidding for its first stake in the North American generic drugs market with a $550m offer for 51 per cent of the Copley group of the US.

Copley, which last year earned $12.3m after taxes on sales of $52m, is an important opening for the bidder's Hoechst Roussel Pharmaceutical Industries subsidiary, which last year reported sales of $600m in the US and claimed a 1.1 per cent market share. The share of generics – out-of-patent products – in the US prescription drugs market is expected to grow 14 per cent a year until the end of the century, according to Hoechst.

It based its forecast on planned US health reforms, aimed at improving treatment for 36m Americans not covered by health insurance, partly by increased use of cheaper generic drugs.

The move is also a further step in restructuring at Hoechst, which suffered a 31 per cent decline in profits in the first half of this year. At the end of May the group said it was to sell a majority stake in its viscose and acrylic fibres operations to Courtaulds of the UK.

In July it announced capacity cuts in PVC production following the merger of its interests with those of Wacker. Shortly afterwards it agreed effectively to take over the Schering group's plant protection operations.

If the deal is concluded, Copley will take over the manufacture and distribution of Hoechst Roussel products as their patents expire, the German group said. Hoechst, which has no generics business in Germany, said the first drug affected would be a treatment for diabetes.

Copley's main specialities include dermatology products, psychotherapeutic drugs and treatments for rheumatism. Hoechst's top-sellers include products for circulatory ailments, antibiotics and its Daonil diabetes drug.

The deal has been negotiated by the German company's 100 per cent-owned local subsidiary, Hoechst Celanese, and will be financed entirely from within the US, the group said.

The pharmaceuticals business last year accounted for almost DM10bn ($6bn) of Hoechst's DM46bn turnover, and was the only sector to show an increase in operating earnings.

Record pay-outs have led to pressure to limit accountants' liability, writes **Richard Lapper**

Auditors turn cold as legal claims hot up

The rising tide of multi-million pound claims against auditors is "enough to turn the blood cold", according to the senior partner of one large British firm.

Last week's $110m out of court settlement in Dublin ended what could have become a marathon legal action between Ernst & Whinney, the accountants, and Allied Irish Banks. But the size of the pay-out is an uncomfortable reminder for accountants of the scale of the risks to which their profession is exposed.

Increasingly, accountants are facing a steady rise in legal exposures, as creditors and investors in troubled and insolvent companies seek to recover losses.

The Dublin case arose as a result of the failure of Insurance Corporation of Ireland, a small general insurance company acquired by Allied in 1983. Ernst & Whinney, now part of Ernst & Young, audited Insurance Corp's books between 1978 and 1983, a time when it was growing quickly. However, Insurance Corp set aside insufficient cash to meet future claims and in 1985 collapsed with losses of more than IE80m ($115m). Allied, together with the company's administrators, Icarom, launched legal action, claiming $550m, alleging that E&Y had not looked hard enough at Insurance Corp's operations. With accumulated interest the size of the claim could have exceeded IE1bn. E&Y did not admit liability and took comfort in the fact that the settlement was equal to only about 8 per cent of this.

For E&Y it follows hard on the heels of some big pay-outs in the US. Last November's $400m settlement with US federal savings and loan industry regulators, was the largest ever agreed by an accountancy firm. Ernst & Whinney is also named – along with Price Waterhouse – on a $8bn claim, filed by the liquidators of the Bank of Credit and Commerce International (BCCI).

Mr Lawrence A. Weinbach, managing partner-chief executive of the Arthur Andersen Worldwide Organisation, estimates that worldwide the industry faces $30bn of claims.

This puts pressure on the arrangements through which the "big six" insure themselves. The largest accountancy firms rely on both the conventional professional indemnity insurance market and the industry's own mutual insurers – Bermuda-based PALE and PADUA.

Cover provided from these sources is understood to extend to more than $100m. But it is limited. And beyond a certain level the partners themselves – as the owners of the firms – are individually liable up to the total value of their assets.

Premiums have risen steeply – by at least 300 per cent since 1985 – and insurers have increased the amount of each claim that they pay from their own resources. In 1992 the costs of fighting legal action for the "big six" in the US amounted to $598m – or 11 per cent of their revenues. Insurance recoveries provided an additional $185m in resolving claims, says Mr Weinbach.

Many smaller and medium-sized firms are also coming under fire. Mr Charles Cox, of CT Bowring, the insurance broker which provides a scheme for the smaller UK groups, says that each year one in five accountants notify their insurers about circumstances which might give rise to a claim. "There has been a steady increase in notifications and a steady deterioration in claims."

Roughly half of all claims dealt with by Bowring are linked to tax disputes, but the number of audit claims now amounts to one in four of all claims.

In the US, Mr Weinbach says the fear of legal action and potential financial ruin is leading to fewer accountants entering the profession and many younger accountants are refusing the offer of partnership. Over-exposure to litigation was a big factor in the 1990 bankruptcy of Laventhol Horwath, then the seventh-largest accounting firm in the US.

Europe has yet to reach this pitch. Even so Mr Richard Murray, chief executive of Minet Global Professional Services, says claims here are rising at a faster rate than in any other part of the world. With many of the cases in the UK, the pressure for reforms to limit liabilities seems certain to grow.

Accountants are seeking changes to the Companies Act which now bans auditors making contracts where liability with clients is limited.

Mr John Magill, who is responsible for risk management at Touche Ross, said: "There is concern that we can just be blown out of the water by some of these settlements."

World's biggest awards against accountants and auditors 1992-93

Firm against which award made	Plaintiff	Accountant's client	Amount of award or settlement	Country
1 Ernst & Young	Federal Deposit Insurance Corp	various savings & loans banks of Tennessee and others	$400m	US
2 Ernst & Young	Allied Irish Banks	Insurance Corporation of Ireland	$111m	Ireland
3 Coopers & Lybrand	Bankruptcy trustees	Miniscribe	est $95m*	US
4 KPMG and Others	Investors	Weltech	$77.5m	US
5 Ernst & Young	Investors	American Continental Corp	$63m	US
6 Coopers & Lybrand	Bondholders	Miniscribe	$45-$50m*	US
7 Peat Marwick & Others	Shareholders/ creditors	Crazy Eddie Inc	$42m	US
8 Arthur Andersen	Investors	Lincoln Savings & Loan	$22m-$30m	US

* Part of $140-$145m settlements by Coopers & Lybrand in Miniscribe case
Source: Lafferty Publications

UK utilities aim for expansion overseas

By Michael Smith, Robert Corzine, Bronwen Maddox and Alan Cane

THE UK'S 18 privatised electricity companies are likely to invest at least £1.5bn ($2.3bn) abroad in the next five years, as part of expansion plans to escape constraints on their profitability imposed by their regulators.

Although little more than £200m has been committed so far by the electricity companies they have plans for projects in the US, Portugal and Germany.

The electricity, water and gas companies are following the lead of BT, the telecommunications group which was privatised in 1984. Its international plans, which have met with mixed success, culminated in June with its £2.88bn purchase of a 20 per cent stake in MCI, the US long-distance carrier. However the international push by the former nationalised corporations may raise doubts about their ability to manage overseas operations and prompt calls for tighter regulation of their international activities.

Ofgas, the gas regulator, wants British Gas's international operations included in its remit. Ofwat the water industry regulator, commenting on the water companies' expansion abroad, said: "We have been doing a lot of work to prevent cross-subsidisation – money from customers' bills being used to finance this expansion."

The electricity companies' move is being led by National Power which expects to invest up to £1bn overseas by the year 2000 in projects valued up to £15bn. It recently spent $160m on Tevco, which owns power plants in the south-east of the US. It expects between 10 and 20 per cent of its earnings could be generated abroad by the year 2000.

The National Grid, which operates the transmission system in England and Wales, plans to invest up to £370m overseas in the next five years. It has already spent £23m as one of a consortium which has taken over the Argentinian transmission system.

Midland Electricity has indicated to the City that it is prepared to commit up to £200m in overseas investments.

International expansion is a large component in British Gas's plans, in the light of commercial and legal challenges to its dominance of the UK market. Since privatisation in 1986 British Gas has spent more than £1.1bn on foreign exploration and production assets.

Two examples of pomp and circumstance

Economics Notebook
By Peter Norman

Two countries, two central banks, and each with new men at the top.

Ten days ago, Mr Hans Tietmeyer was installed as Bundesbank president in the nearest thing to a coronation that the Federal Republic has to offer. The handover of power at the Bundesbank was marked by a ceremony attended by 800 guests from European central banks and German government, politics and business. Among the seven speeches (punctuated by passages from a Schumann piano quintet and Beethovan's trio for clarinet, cello and piano) was one by Chancellor Helmut Kohl declaring his support for Bundesbank independence.

Three months earlier, on July 1, Mr Eddie George took over as the new governor of the Bank of England and Mr Rupert Pennant Rea, the former editor of the Economist, as his deputy. Mr George travelled into Threadneedle Street from his Dulwich home as on any normal working day. Mr Pennant-Rea moved into a new office. Otherwise, there was no change in the Bank's long-established routine.

At first sight, the Bank of England's approach to the change in its top management was reassuringly low key. It seemed to express the very British idea of "business as usual". But the pomp surrounding the elevation of Mr Tietmeyer to the presidency of the Bundesbank was more than Teutonic self indulgence.

The gathering in Frankfurt'a elegant *Palmengarten* marked out Mr Tietmeyer as one of Europe's most powerful men. It also was an act of homage by Germany's political class to the Bundesbank as an institution, and a reminder that the person who happened to be at its top was merely a steward.

In a world of rapid economic, social and political change, there is a growing interest among policymakers in building and nurturing institutions to support economic policy goals.

The absence of strong economic policymaking institutions is keenly felt in Russia. The existence of a central bank that saw control of inflation and monetary conditions as its vocation would have made a huge difference to the process of transformation from a command to a market economy.

Israeli policymakers are conscious that Gaza and the region around Jericho will need more than money if they are to have effective self government. In a recent conversation, Mr Jacob Frenkel, the governor of the Central Bank of Israel, underlined the vital need for the Palestinians to set up effective institutions for controlling public spending and managing taxation in the areas that they will govern. Otherwise, the territories could become dependent on outside aid.

In Britain, institutions such as the Bank of England, the Stock Exchange and the Treasury have seen their influence slip over the past decade in the face of the growing power of financial markets. Perhaps because the British establishment has generally made a mess of running the economy over the past 40 years, the pendulum has yet to swing back in favour of building these institutions up again.

But there is a case for having a thorough look at the current state and objectives of the Bank of England.

The Bank's present position is the result of a typically messy British compromise. It has, since Britain's exit from the European exchange rate mechanism, been given more explicit responsibility for the control of inflation. Although both Messrs George and Pennant-Rea would like more autonomy, it is nowhere near having the independence that would make it responsible for price stability.

When Mr George was named as governor in January he was given a mandate "to support the government in its determination to bring about a lasting reduction in the rate of inflation".

Shortly before, the government had set as a target a 1 to 4 per cent range for the underlying rate of inflation (retail price inflation minus mortgage interest payments) during the life of this parliament.

Since July's change at the top, the Bank seems determined to create as much freedom of manoeuvre as it can.

It seems to have won a battle to prevent the Treasury interfering with the writing of its quarterly inflation report. This document, introduced in February, is intended to provide an independent signal if inflation is threatening to burst through its target ceiling.

Last week, Mr Pennant-Rea unilaterally redefined the government's inflation target to 1 to 2.5 per cent by 1996 or 1997 in place of the previous vague statement by Mr Norman Lamont when chancellor that "by the end of the Parliament we need to be in the lower part of the (1-4 per cent) range".

The present chancellor, Mr Kenneth Clarke, seems happy to let the Bank flex its muscles. In an interview with Crossbow, the magazine of the Tory Bow Group last week, he said the Treasury would no longer have a hand in the Bank's inflation report. He also promised not to tamper with monetary policy for political ends. "It is important that monetary policy is taken objectively, openly and is certainly not buffeted about by short-term political considerations to assist the party in power," he said.

But although the chancellor said he had a "fairly open mind" on the subject of Bank independence, there was nothing to suggest that he wanted to give up ultimate responsibility for the Bank and monetary policy. Mr Clarke believes strongly in the Westminster parliamentary system. "I think people would get fed up with me telling parliament that the most important features of economic policy were practically beyond my control," he told Crossbow.

But Mr Clarke's word will not be the last on the issue. The House of Commons Treasury and Civil Service Committee has been holding hearings on the Bank'a future. Its report, expected either late this year or early in 1994, could boost pressure for greater Bank independence.

The Bank itself will be celebrating its tercentenary next summer and has commissioned an opera for the occasion. It is unlikely to symbolise the power of the institution in the way that this month's ceremony in Frankfurt buttressed the Bundesbank.

Greycoat to seek more time from creditors

By Richard Gourlay in London

GREYCOAT, the property company whose future is in doubt after share and bondholders last Friday rejected a rescue bid from Postel, faces a crucial test today if it is to keep creditors at bay.

The company and NM Rothschild, its advisers, will this morning ask the Law Debenture Trust, trustee for holders of Greycoat's zero coupon bonds, for more time to find a way to avoid being put into default.

If the Trustees choose not to waive their rights to issue default notices, Greycoat's bankers are likely to take control of their security and the company would go into receivership.

Greycoat's advisers expect to be granted a 30-day extension to find a way to reduce the company's high gearing that triggered the default on the zero coupon bonds.

NM Rothschild and Greycoat would then have "a fortnight to get something creative going", an adviser said.

If no new rescue plan or bid emerged Greycoat's directors would be in danger of becoming personally accountable for allowing an insolvent company to continue trading.

After the rejection last week of Postel's £130m ($181m) rescue bid, one observer described the hush over the weekend as "something of phoney war".

Greycoat will only avoid default on its zero coupon bonds either by a restructuring including a rights issue, or by a third party making a bid for the whole company.

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COMPANIES AND FINANCE

Gormly gives up top job at Trafalgar

By Roland Rudd

MR ALLAN GORMLY will next year step down as chief executive of Trafalgar House when he is expected to take a more prominent role at Royal Insurance, where he is a non-executive deputy chairman.

Trafalgar, the construction, engineering and shipping group, is planning to announce the move in the next few weeks. Mr Gormly's departure is not expected to take place until the middle of next year.

Mr Gormly will remain on Trafalgar's board and is likely to be succeeded by Mr Nigel Rich, who retires as managing director of Jardine Matheson in March 1994. Mr Rich is expected to take an extended holiday before returning to the UK.

Hong Kong Land, controlled by Jardine Matheson and which has a 25.3 per cent stake in Trafalgar, has tightened its control over the UK construction and engineering group. Earlier this year Mr Simon Keswick was installed as chairman and Mr David Gawler as financial director.

However, Trafalgar said yesterday that relations between Mr Gormly and the Keswick family, who control Hongkong Land, remained very good.

Trafalgar's financial year ended on September 30 and the results, to be announced on December 14, are expected to show a loss.

Mr Gormly is one of the last surviving board executives before Hong Kong Land took effective control at the end of last year. He was previously chairman of the company's engineering division.

Institutions optimistic on prospects and equities

By Joel Kibazo

A MAJORITY of institutional investors believe the UK equities market to be the most attractive investment prospect on a 12 month view over other markets, and many remain confident about prospects for the UK economy, according to a survey published today.

The monthly Smith New Court/Gallup survey of fund managers reveals that a balance of 77 per cent of institutions (the difference between those institutions that are positive and those that are negative) remain bullish on UK equities over the next 12 months; against a balance of 56 per cent in favour other European markets; 50 per cent positive on the Japanese market and a mere 4 per cent that favour the US market.

A balance of 22 per cent of those polled plan to increase their holdings of UK equities this month, up sharply from 7 per cent the previous month, with 56 per cent favouring the FT-SE 250 stocks while 37 per cent prefer to limit investments to the FT-SE 100.

Overall, institutions continue to be optimistic about economic recovery and inflation, and many continue to expect a cut in interest rates.

Matthew Clark takes control of own fortunes

Philip Rawstorne on the success of the group's three year restructuring programme

MATTHEW Clark, the drinks producer and wholesaler, got a solid vote of confidence from the market at the weekend for its three year programme of strategic restructuring.

Shares in the group jumped 25p to 523p – a reflection of investors' satisfaction with its latest acquisition, the £32.5m purchase of Grants of St James's from Allied-Lyons.

The fact that the move will be funded by Clark's second rights issue within four months made the reaction even more remarkable.

But Grants adds tone as well as substance to the transformation of the group by Mr Peter Aikens, chief executive. Since he began to reshape it in 1990, the shares have outperformed the brewers and distillers sector by 50 per cent.

In 1989, Clark was a leading independent drinks distributor. Well over half its annual profits came from Martell cognac, which it had distributed in the UK since 1833. Its portfolio included Jameson's Irish whiskey, Macallan malt whisky, and Taittinger champagne.

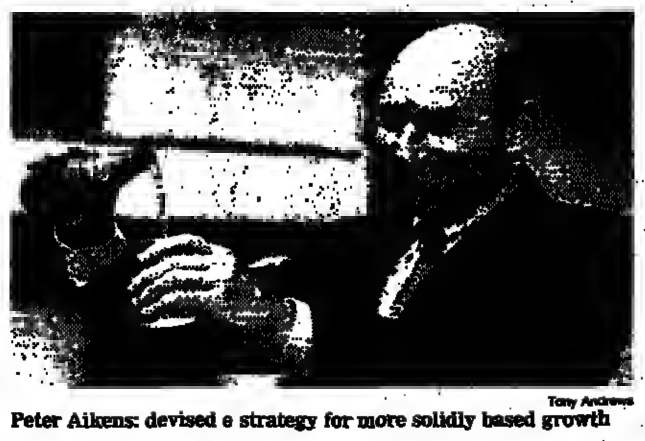
The only brands Clark could call its own, through a 52 per cent stake in JE Mather, the Leeds-based producer, were Stone's Original ginger wine, and Old England British sherry.

Run on traditional lines by the Clark family, which had a shareholding of about 17 per cent, the company was jogging along comfortably until the ground was suddenly cut from under its feet.

Seagram took over Martell, Pernod-Ricard acquired Irish Distillers and Clark had lost the distribution of its most profitable brands.

For another year, Clark struggled to fill the gap with other agency brands such as Domecq sherry, Fundador brandy, and Grand Marnier liqueur. But the loss of the Macallan Scotch whisky business after the 1990 alliance of Rémy Cointreau and Highland Distilleries confirmed the inherent uncertainty of the agency business.

By then, Mr Aikens, recruited from Courage by Clark's non-executive directors, was already beginning to devise a strategy for more solidly based growth. Under his direction, the company began a gradual withdrawal from the agency business to concentrate on its core British wine and sherry operations.



Tony Andrews

Peter Aikens: devised a strategy for more solidly based growth

British sherry may not appeal to connoisseurs – and will even have to stop describing itself as sherry in 1995 – but it sells more readily than the Spanish product. It now has more than 50 per cent of the UK sherry market and sales are growing at more than 6 per cent a year.

In December 1990, Clark bought out the minority holders in Mather, Bass and Grand Metropolitan's IDV spirits division, for £12m. The partnership had been a constraint on Clark's development, effectively preventing it from acquiring or producing new brands because of possible competition with Bass and IDV products.

As the search for brand acquisitions got under way, Clark disposed in rapid succession of three non-core businesses, almost recouping the money spent on Mather.

A series of management changes followed. The Clark family reduced its shareholding and retired from the scene. Mr Michael Cottrell, chairman of Taunton Cider and former managing director of Courage, took the chair. Mr Hugh Etheridge came from Strong & Fisher as finance director and Mr Tim Hazell, another ex-Courage executive, took over as sales and marketing director. Mr Peter Huntley, a member of Elders IXL strategy group, was appointed business development director.

With the arrival last month of Mr Robin Manners, former Bass director, as a non-executive, only one member of the pre-1990 board, Mr Tony Grayson, production director, now remains.

Clark took longer than expected to make its first brand acquisition but organic growth in its British sherry and wines operations came up to market expectations in spite of the recession and the squeeze on margins by its main customers, the multiple grocers.

An attempt in late 1991 to acquire Allied-Lyons's Showerings business, with brands such as Gaymer's cider, Babycham, and VP wine, failed. A number of other approaches came to nothing.

In May last year, however, it bought Strathmore, Scotland's leading bottled water brand, for £11m. The purchase took Clark into another growth sector.

The brand had gained a 25 per cent share of the bottled water market in the Scottish grocery sector in six years and was beginning to expand into England. Sales through Clark's distribution network are now growing at the rate of 20 per cent a year.

Earlier this year, Mr Aikens moved into another cash generative growth area with the £18.6m acquisition of 74.9 per cent of Freetraders, an independent drinks wholesaler.

The business, which reported a 45 per cent increase in sales and operating profits of £2.3m last year, neatly complements Clark's existing strengths in the take-home trade.

Even before the addition of Grants' wines and spirits business, Mr Aikens expects the operation to be contributing 40 per cent of Clark's profits within the next six months.

In the three years of strategic restructuring, Matthew Clark has taken control of its own fortunes and increased its market capitalisation from £26m to £74m.

CSI sells two loss-makers for £1.35m

Cannon Street Investments, the mini-conglomerate, has sold its loss-making fork-lift truck businesses.

CSI sold the fixed assets and stock of Cannon Material Handling and Wallright to Harvey Plant for £1.35m in cash. At the same time, CSI said the obligations of the two companies to various creditor leasing companies had been settled for £3.8m, roughly the capital liability in CMH and Wallright's accounts.

CROSS BORDER M&A DEALS

BIDDER/INVESTOR	TARGET	SECTOR	VALUE	COMMENT
HIT (Hong Kong)	Yantian International Terminals (China)	Containers	£398m	Reinforcing sector domination
Investcorp (Bahrain)	Camelot Music (US)	Retailing	est £210m+	Expanding into music
Boskalis (Netherlands)	Unit of British Aerospace (UK)	Construction materials	£180m	Non-core disposal
IWP (Ireland)	Levendaal Beheer (Netherland)	Personal care	£49m	Strengthening market position
Coca-Cola Amatil (Australia)	PT Djaya Beverage Bottling (Indonesia)	Bottling	£30m	Acquiring majority stake
Petroleos de Venezuela (Venezuela)	BP Bitor (UK/Venezuela)	Energy	£3.3m	BP sells dirtiest stake
Albert Fisher (UK)	Imperial Produce (US)	Food	£2.6m	Completing a US jigsaw
Huhtamaki (Finland)	Unit of Carnaud MetalBox (UK/France)	Plastics	n/a	Non-core disposal
Oerlikon Buhrle (Switzerland)	Leybold (Germany)	Engineering	n/a	Buy from Degussa
Trebruk (Sweden)	Kostrzyn (Poland)	Pulp & paper	n/a	Debt and invest ment deal

Coutts Consulting deal raises dividend hopes

COUTTS Consulting Group, the career consultancy, outplacement and residential training company, has sidestepped objections by Mr Barry Topple, its former chief executive, and found a way of eliminating the deficit on its share premium account allowing dividends to be paid.

Coutts hoped that as a result Mr Topple's compensation claim and their counter-claim for £3.4m damages would now reach a rapid conclusion.

Eynsham Hall, Coutts' residential training offshoot, is acquiring Coutts Consultants, its outplacement business. The move releases merger reserves of £4.1m as well as showing a book profit of £2.9m. There are still arrears of £600,000 on the preference shares.

The deal completes the reorganisation at Coutts Consulting, formerly DC Gardner.

A previous attempt to reduce the share premium account had been blocked by Mr Topple.

Mr Tim Inglefield, finance director, said the company would have preferred to achieve the result in front of the shareholders by going through the courts, but this had not been possible.

Slingsby jumps to £302,000

HC Slingsby, the trucks and ladders maker, reported a strong advance in interim pretax profits for the half year to June 30. The company said there had been a marked increase in activities coupled with cost rationalisation.

On turnover 14 per cent ahead at £5.9m pre-tax profits advanced from £28,000 to £302,000. Earnings per share were 20.9p (1.4p) and the interim dividend came to 3p (2p), payable January 4.

However, the company warned that present indications were that second half profits would be more modest than the first.

Gartmore makes four board appointments

By Richard Lapper

GARTMORE, the rapidly growing fund management group owned by France's Banque Indosuez, is to appoint four independent non-executive directors, as it prepares for flotation later this year.

The new non-executives are: Mr Victor Benjamin, the deputy chairman of Tesco, the retailer; Mr Simon Duffy, group finance director of Thorn EMI, the music and electronics group; Mr Nigel Rudd, the executive chairman of Williams Holdings, the industrial conglomerate; and Mr James Watson, chairman of NFC, the transport group.

Banque Indosuez will be represented on Gartmore's board by a further four non-executive directors, including Mr Antoine Jeancourt-Galignani, the Banque Indosuez chairman.

"The non-executive directors will not only provide Gartmore with a strong independent range of opinion and a focused input to such management areas as remuneration and audit, but will also make a substantial contribution to the overall development of the group," said Mr Paul Myners, executive chairman.

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1993 due 2005

In accordance with the terms and conditions of the Notes, notice is hereby given that for the Interest period October 8, 1993 to April 8, 1994 the Rate of Interest has been fixed at 5.125 per cent. and that the interest payable on the relevant Interest Payment Date, April 8, 1994 against Coupon No. 1 in respect of US$ 1,000 nominal of the Notes will be US$ 25.91, in respect of US$ 10,000 nominal of the Notes will be US$ 259.10 and in respect of US$ 100.000 nominal of the Notes will be US$ 2,590.97.

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Barclays Bank PLC, Hong Kong
As Agent

COMPANY NOTICES

Antofagasta Holdings P.L.C.

The Hongkong and Shanghai Banking Corporation Limited(HSBC) to Acquire a 10% Interest in Banco O'Higgins

An agreement has been reached, in principle, for HSBC to acquire a 10% Equity Share in Banco O'Higgins by a capital increase of US$ 35m. At the conclusion of this transaction, the shareholding of Antofagasta Holdings in Banco O'Higgins will be reduced from 24.12% to 21.92%. Under the terms of the agreement, Banco O'Higgins will acquire and operate, through its branch network, the Chilean offices of HSBC in Santiago and Valparaiso.

HSBC has more than 3,000 offices in 66 countries and assets of over £183 billion making it one of the largest financial institutions in the world.

Banco O'Higgins, the third largest bank in Chile with assets of US$2.1 billion, has 60 branches in Chile providing a very wide range of financial services. In June 1993, Banco O'Higgins merged in Chile with Banco Central Hispanoamericano of Spain. This has increased their presence in Chile and in Europe. The present agreement gives Banco O'Higgins access to the international banking scene through HSBC which has particular strengths in South East Asia as well as Europe and North America. Banco O'Higgins has five associated companies: O'Higgins Corredores de Bolsa, O'Higgins Agencia de Valores, O'Higgins Leasing, O'Higgins Administradora de Fondos Mutuos and O'Higgins Asesorías Financieras. The transaction is subject to regulatory approvals and other agreements between the parties.

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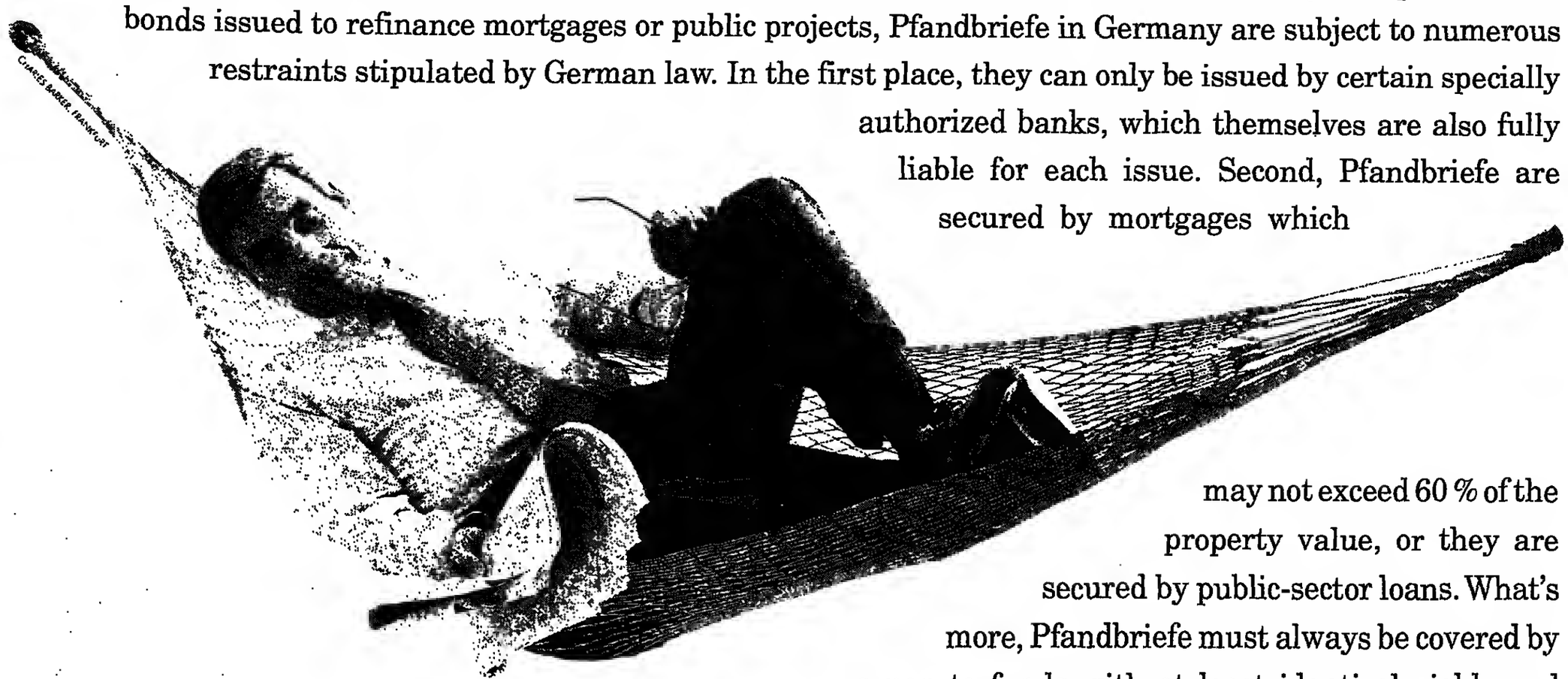

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GERMANY'S MORTGAGE BANKS

DEPFA-BANK, WIESBADEN
BAYERISCHE VEREINSBANK AG, MÜNCHEN
HYPO-BANK, MÜNCHEN
DEUTSCHE HYPOTHEKENBANK FRANKFURT AG, FRANKFURT
RHEINHYP, FRANKFURT
DEUTSCHE GENOSSENSCHAFTS-HYPOTHEKENBANK AG, HAMBURG
FRANKFURTER HYPOTHEKENBANK AG, FRANKFURT
DEUTSCHE CENTRALBODENKREDIT-AG, KÖLN
BAYERISCHE HANDELSBANK AG, MÜNCHEN
WESTHYP, DORTMUND
BERLIN HYP, BERLIN
SÜDDEUTSCHE BODENCREDITBANK AG, MÜNCHEN
MÜNCHENER HYPOTHEKENBANK EG, MÜNCHEN
HAMBURGHYP, HAMBURG
WÜRTTEMBERGER HYPO, STUTTGART
NÜRNBERGHYP, NÜRNBERG
HYPOTHEKENBANK IN ESSEN AG, ESSEN
DEUTSCHE HYPOTHEKENBANK (ACT.-GES.), HANNOVER
BRAUNSCHWEIG-HANNOVERSCHE HYPOTHEKENBANK AG, HANNOVER
ALLGEMEINE HYPOTHEKEN BANK AG, FRANKFURT
RHEINBODEN HYPOTHEKENBANK AG, KÖLN
LÜBECKER HYPOTHEKENBANK AG, LÜBECK
NORDHYPO BANK, HAMBURG
BFG-HYPOTHEKENBANK AG, FRANKFURT
WL-BANK, MÜNSTER
HYPOTHEKENBANK IN BERLIN AG, BERLIN

US-Canadian consortium in Chilean copper venture

By David Pilling in Santiago

A US-CANADIAN consortium of Cyprus Minerals Company and Lac Minerals has agreed to pay up to $555m for a 51 per cent stake in the El Abra copper mine, Chile's largest-ever foreign joint venture. Codelco, Chile's state copper company, is to hold the remaining 49 per cent in the project, which is expected to cost $1bn to develop.

The Cyprus/Lac consortium will pay $404m on signing the contract, due to take place in January, and an additional sum of up to $151m depending on the mine's development costs. The consortium has also committed itself to securing financing of $700m to meet investment requirements.

El Abra, which could start production as early as 1997, was the biggest copper deposit for sale in the world. Nine international consortia, including such companies as RTZ of the UK and Australia's BHP Minerals, submitted bids last month.

Such enormous interest highlights Chile's growing reputation for providing a stable, long-term investment climate. Last year, Standard & Poor's, the US credit rating agency, awarded Chile an investment grade, the first to a Latin American country since the debt crisis of the early 1980s.

The El Abra deal is seen by many officials as a breakthrough for Chile's state-dominated mining sector, which has until recently resisted foreign investment. Under a law passed last year, El Abra will be the first state-owned copper deposit to be developed with the private sector.

Mr Alejandro Foxley, the finance minister, praised the policy of wooing foreign investors to the mining industry: "Why should we divert public funds into areas where the private sector can invest? Then we can take that money and put it into infrastructure – education, health services and job training programmes. That's the real job of the government."

Cyprus/Lac plans to produce 225,000 tonnes of copper cathodes annually over 20 years. The grade and relative accessibility of El Abra's oxide reserves is expected to result in extremely low production costs. These should be 40 to 45 cents a pound against Codelco's current average of 69 cents.

Philips confirms deal with Rabobank

By Ronald van de Krol in Amsterdam

PHILIPS, the Dutch electronics group, has confirmed that it recently arranged a sale and lease-back transaction with Rabobank, the big Dutch co-operative bank, but declined to give any further details of the deal.

The company refused to comment on a Dutch radio programme which reported that Rabobank had purchased certain intangible assets, such as patents and technology licences, and then leased them back to Philips.

The programme said the transaction was arranged in the summer and was worth several hundred million guilders.

Philips, which is redoubling efforts at asset management under its finance director, Mr Dudley Eustace, would say only that the transaction had taken place "recently" but it refused to say what kind of assets were involved or how much they were worth.

The deal received indirect blessings from the Dutch government. It emerged on Friday that the Dutch cabinet approved the tax implications of the deal in the summer after the country's tax authorities had initially balked at Rabobank's plans to purchase the assets.

The deal means Rabobank is likely to pay less corporate tax this year than would otherwise have been the case.

The Amsterdam stock exchange said it had not yet decided whether the transaction was price-sensitive information which should have been reported to investors.

Philips' shares did not react to news of the lease-back arrangement, closing unchanged on Friday at Fl36.20.

The transaction has received wide attention in the Netherlands, where it has been interpreted as a gesture of government support for one of the country's most important companies.

Philips, which is plagued by recession in the consumer electronics industry, has been making a concerted drive to cut its working capital and boost its cashflow. Until now, however, it has not publicly reported a lease-back arrangement.

Earlier this year, Philips bolstered its balance sheet by selling its minority stake in a semi-conductor joint venture to Matsushita of Japan, generating a gain of Fl 1.1bn.

Tokyo cracks down on builders

Robert Thomson writes on the latest Japanese political scandal

FOR the past few weeks, Japanese television viewers have watched the almost nightly drama of construction company executives being hauled from their homes and escorted to the Tokyo Detention Centre for questioning about their role in an unfolding political scandal.

The construction industry is traditionally an important source of campaign cash for Japanese politicians. At the last count, 18 executives from five leading contractors had been arrested for alleged involvement in the bribery of provincial government leaders. The public prosecutors continue to circle the industry.

This crackdown by the authorities has come at a difficult time for construction companies where margins are already under severe pressure from the downturn in the economy and an accompanying 30 to 40 per cent fall in property prices.

Most contractors have downgraded their profit forecasts for this year, and the five companies implicated in the scandal – Taisei, Shimizu, Hazama, Mitsui Construction, and Nishimatsu Construction – are likely to feel the squeeze more than most. They are temporarily excluded from bidding for some public works contracts.

"The situation is really very severe, and we will have to try to regain confidence," a manager at Taisei explained. Taisei was embarrassed this week by the arrest of a vice-president over the company's Y20m ($190,000) payment to a prefectural governor. Prosecutors say the payment was a bribe, while Taisei insists that it was merely a political donation.

A court will ultimately decide, but the Construction Ministry has already suspended Taisei from public works contracts for two months and local governments might do the same. In an average year, the company said, public works account for 20 per cent of orders, but the ratio had risen from 25 to 30 per cent this year.

Before the arrest this week, Taisei was expecting pre-tax profit for the six months ended September to be 34.8 per cent lower than a year earlier on sales down 6.4 per cent. The only positive turn for Taisei is that Japanese interest rates are now at their lowest ever levels with the official discount rate standing at 1.75 per cent.

In the case of Hazama, another implicated contractor, 47 prefectural governments and 12 cities imposed temporary bidding bans, ranging from two to four months, which the company said will remain in place until we "are designated as a bidder again".

Under the Japanese bidding system for public works projects, a company must be "designated" by the authority responsible, which is under no obligation to explain why a company is overlooked in the bidding, meaning that a suspension may be indefinitely extended by some governments.

"We won't really know when the penalties are over until we are nominated again," Hazama said. "Even though the period of our ban is two months, the period will not exactly be two months. It is likely to be longer."

Last week the company was forced to revise downwards its forecasts on profits for the current corporate year, ending March. Its forecast for net profits was lowered by 26.7 per cent on sales expected to be 12.7 per cent lower than earlier estimated.

Hazama might benefit from an increase in public works orders next year, as governments have held back in awarding contracts, fearing that the winner may be entangled in the scandal, which would force the complicated award procedure to be conducted again.

In August, government orders to the 50 largest contractors were down 42.7 per cent on a year earlier, the largest fall since the Construction Ministry began collecting figures in 1959. In the same month, private orders were down 9.3 per cent, partly reflecting the growing surplus of office space in Tokyo and Osaka, the two largest cities.

The surplus is particularly acute in newer commercial areas, where buildings sprouted during the late 1980s, the bubble era, and developers are still completing the more ambitious projects planned during those heady days.

Officials at the Co-operative Credit Purchasing Company, established by Japanese banks to clear away bad property-related loans, expect commercial property prices to continue falling for at least another year.

Japanese manufacturers account for about 20 per cent of private construction orders, but are reducing capital spending at home and expanding production facilities in cheaper east Asian sites.

The Industrial Bank of Japan expects that capital spending this year will slip by 2.3 per cent, the second consecutive fall, and the Bank of Japan has warned that the higher yen could lead to a "massive substitution" of overseas investment.

In these harsh conditions, scandal is an unwelcome burden, but companies which have avoided implication in the latest spate of allegations are likely to receive a fresh flow of orders. For example, Obayashi this week raised its pre-tax profit forecast from Y52bn to Y60bn for the year to March.

However, the company has cut the net profit forecast from Y23bn to Y13bn, as it has chosen to confront a separate but common affliction for the industry, over-exposure in the US property market. Obayashi is to liquidate three subsidiaries and write off losses of Y30bn.

Nikkei 300 share index launched

By Emiko Terazono in Tokyo

A NEW capitalisation-weighted index of 300 leading shares listed on the Tokyo stock exchange is being launched.

The index is expected to end a two-year debate over the volatility of the Nikkei 225 index, a simple price-weighted average of 225 stocks, which is used by the Osaka Securities Exchange and overseas markets as a base for the controversial stock futures contract.

Japanese financial authorities have blamed the heavy trading in the futures market for driving investors away from the stock market. After a spate of restrictions to curb trading in the futures and options markets failed to bring investors back into stock investments, the ministry of finance and stock exchange authorities agreed that the simple weighted index, which is seen as easily manipulated, was at fault.

The Nihon Keizai Shimbun business newspaper said the Nikkei 300 was an additional index and that the Nikkei 225 would continue to be used as a benchmark for the Tokyo stock market. The Osaka exchange is expected to introduce a new stock index futures contract based on the new index to replace the Nikkei 225 futures contract next January.

The Nikkei 300 is heavily weighted in the banking sector, with 10 banks comprising 23.77 per cent of the index's capitalisation.

Interim downturn at Worms holding group

By Alice Rawsthorn in Paris

WORMS, the French holding company, reflecting the gloomy trend in the corporate sector, announced a fall in net profits to FFr362m ($64m) in the first six months of 1993 from FFr397m a year earlier.

The group, which recently reshuffled its interests by selling its controlling stake in the Financière Truffaut luxury goods conglomerate to Mr Bernard Arnault, was affected in by the poor performance of some of its core holdings, including the Saint-Louis food and transport group.

Profits from Saint-Louis fell to FFr252m in the first half from FFr462m last year, partly due to high restructuring costs. Worms was also affected by the problems of Compagnie Nationale de Navigation (CNN) in the oil transportation sector. The losses from CNN rose to FFr46m from FFr8m.

Athena, the insurance company, suffered from the general pressures on the French insurance sector. Net profits from Athena fell to FFr217m from FFr257m. The losses from Arc Union, the property company, were reduced to FFr49m from FFr167m while net profits from the Demachy Worms banking business rose slightly to FFr44m from FFr41m.

The sale of the Financière Truffaut shares yielded a profit for Worms of FFr187m. The group also expects in the second half to make more exceptional gains from the sale of its old corporate headquarters on Boulevard Haussmann in Paris.

Fall at French retailer

By Alice Rawsthorn

BHV, the French retail group best known for its department store by the Hôtel de Ville in Paris, suffered a sharp fall in interim net profits to FFr9.5m ($1.7m) in the first half of this year from FFr20.2m in the same period of 1992.

The group, like other French retailers, has come under pressure because of the sluggish state of the economy. Consumer spending in France has been static for some time, reflecting the high rate of real interest rates and concern about rising unemployment.

News of the decline in BHV's profits follows shortly after a gloomy announcement by Pinault-Printemps, another leading stores group, that its interim net profits fell to FFr189m from FFr330m.

BHV's sales declined by 7.8 per cent to FFr1.89bn in the six months from FFr1.75bn at last year's interim stage. As a result, it remained in the red at the operational level with a loss of FFr21.2m, against FFr8m last year.

The company attributed the fall in sales and its operational losses to the "difficult economic environment".

NEWS DIGEST

Third-quarter profits down 36% at Alcoa

ALCOA, the big US aluminium producer, said its own 25 per cent cutback in US aluminium production in the third quarter had failed to bolster prices, and that rising world aluminium inventories and a corresponding price slide led to a 36 per cent drop in its third-quarter earnings, writes Laurie Morse in Chicago.

The company said it earned $28.8m, or 32 cents per common share, in the quarter, down from $45.3m, or 52 cents, in the same quarter last year.

The quarterly results benefited from $22.6m in tax adjustments, and included a $4m charge for employment reductions at Alcoa's fabricating plant in Davenport, Iowa. Sales for the third quarter slipped to $2.2bn, from $2.4bn a year ago.

For the first nine months, Alcoa had operating earnings of $96m or $1.08 a share, although special charges reduced the total to $91.7m or $1.03.

In the comparable period last year, before a special accounting change, the company earned $156.9m or $1.81 a share.

Amdahl forecasts deeper loss

AMDAHL, the struggling US mainframe computer manufacturer, said it expected to report an operating loss for its third quarter "considerably larger" than its $23.7m second-quarter loss, writes Louise Kehoe in San Francisco.

The company blamed continuing "depressed conditions" in the mainframe computer market, together with "intense competitive pressure on pricing" for its losses.

Industry analysts said that International Business Machines, Amdahl's chief competitor in the mainframe market, has been deeply discounting prices of its mainframe computers in a bid to boost sluggish demand.

Amdahl's anticipated losses have raised raised concerns about IBM's performance.

Canadian bank may buy insurer

CANADIAN Imperial Bank of Commerce, the country's second biggest chartered bank, plans to become a big player in trust and insurance deals, according to Mr Al Flood, chairman, writes Robert Gibbens in Montreal.

However, along with several other Canadian banks, CIBC is cutting back in Europe and closing offices in Paris, Frankfurt and Milan. It will leave Australia by 1995.

Mr Flood confirmed he has had talks for the possible takeover of Montreal Trust from BCE and National Trust, which is family controlled.

CIBC already has a small equity interest in National Trust while Bank of Nova Scotia is also a contender for Montreal Trust.

In the longer term CIBC is in the market for a US retail bank, Mr Flood added.

Austrian group in the red mid-year

By Ian Rodger in Zurich

RADEX HERAKLITH, the Austrian fireproofing materials and building supplies group, reported a loss of Sch48.2m ($4.3m) for the first half of 1993 compared with a Sch59.4m profit in the same period last year. Revenues dropped by 12 per cent to Sch4.37bn.

Mr Hellmut Longin, chief executive, forecast a slight improvement in full-year profits from last year's Sch130.4m, mainly because of an anticipated Sch80m to Sch90m profit at the Heraklith Baustoffe building materials subsidiary.

Mr Longin also said that both Radex and its two quoted subsidiaries would maintain their dividends.

The group has been hard hit by the slump in the steel industry. Its Veitsch-Radex subsidiary is the world leader in supplying magnesite to line blast furnaces.

THE NEW FT-SE ACTUARIES INDICES CLASSIFICATIONS

From January, 1994, a revised industry classification will apply to the FT-Actuaries All-Share Index and the other FT-SE UK indices. Below are listed the current companies of the All-Share Index presented in their new classifications. Any company wishing to query it's classification should write by October 31 to Mr Adrian Dicks, Secretary, FT-SE Actuaries Industry Classification Committee, Financial Times, Number One Southwark Bridge, London SE1 9HL

10 MINERAL EXTRACTION

■ SECTOR 12 Extractive Industries
121 **Copper Mining**
RTZ Corp
125 **Other Mineral Extractors & Mines**
Berdon Group; English China Clays; Starmin; Watts Blake Bearne & Co

■ SECTOR 15 Oil, Integrated
150 **Oil, Integrated**
British Petroleum Co; Burmah Castrol; Shell Transport & Trading Co

■ SECTOR 16 Oil Exploration & Production
162 **Oil Exploration & Production**
British-Borneo Petroleum Syndicate; Clyde Petroleum; Enterprise Oil; Goal Petroleum; Hardy Oil & Gas; LASMO; Midland & Scottish Resources; Monument Oil & Gas; Pict Petroleum; Pittencrieff; Premier Consolidated Oilfields; Triton Europe
165 **Oil Services**
Simon Engineering

20 GENERAL MANUFACTURERS

■ SECTOR 21 Building Contractors
210 **Building Contractors**
AMEC; Ashtead Group; Avonside Group; Barratt Developments; Bellway; Berkeley Group (The); Boot (Henry) & Sons; Bryant Group; Costain Group; Countryside Properties; Crest Nicholson; Galliford; Gleeson (MJ) Group; Hewden-Stuart; Laing (John); Maunders (John) Group; McAlpine (Alfred); McCarthy & Stone; Mowlem (John) & Co; Persimmon; Raine; Tay Homes; Taylor Woodrow; Tilbury Douglas; Vibroplant; Westbury; Wilson (Connolly) Holdings; Wilson Bowden; Wimpey (George)

■ SECTOR 22 Building Materials & Merchants
222 **Building Materials**
Alumasc Group; Anglian Group; Baggeridge Brick; Blue Circle Industries; BPB Industries; Charter; Epwin Group; Expamet International; Faber Prest; Glynwed International; Hepworth; Heywood Williams Group; Ibstock Johnsen; Marley; Marshalls; MB-Caradon; Morgan Crucible Co (The); Newman Tonks Group; Norcros; Pilkington; Polypipe; Redland; RMC Group; Rugby Group; Spring Ram Corp'n; Tarmac; Victaulic
225 **Builders Merchants**
Meyer International; Sheffield Insulations Group; Travis Perkins; Wickes; Wolseley

■ SECTOR 23 Chemicals
232 **Chemicals, Commodity**
BOC Group (The); Brent International; Courtaulds; Imperial Chemical Industries; Kalon Group; Manders; McLeod Russel Holdings; MTM
234 **Chemicals, Speciality**
Allied Colloids Group; STP; Canning (W); Cookson Group; Croda International; Hickson International; Holliday Chemical Holdings; Laporte; Wolstenholme Rink; Yorkshire Chemicals
236 **Chemicals, Materials Technology**
British Vita; Plysu; Porvair; Wardle Storeys; Wassall; Yule Catto & Co

■ SECTOR 24 Conglomerates
240 **Conglomerates**
BTR; Diploma; Hanson; Harrisons & Crosfield; Lonrho; Porter Chadburn; Ross Group; Staveley Industries; Suter; Tomkins; Trafalgar House; TT Group; Williams Holdings

■ SECTOR 25 Electronic and Electrical Equipment
252 **Electrical Equipment**
BICC; Bullough; Chloride Group; Critchley Group; Delta; Dowding & Mills; Kenwood Appliances; Maddox Group; Merwier-Swain Group; Scholes Group; Volex Group;
255 **Electronic Equipment**
Albe; Amstrad; Blick; Bowthorpe; CML Microsystems; Control Techniques; Cray Electronic Holdings; Druck Holdings; Eurotherm; Fairey Group; Ferranti International; General Electric Co; Graseby; Industrial Control Services Group; Peek; Racal Electronics; Tadpole Technology; Telemetrix; Tunstall Group; Unitech
256 **Office Machinery**
Danka Business Systems; Gestetner Holdings; Rank Organisation; Southern Business Group

■ SECTOR 26 Engineering
261 **Engineering, Metallurgy**
Ash & Lacy; ASW Holdings; Bridon; British Steel; Johnson Matthey
262 **Engineering Fabricators**
Castings; Cook (William); Hall Engineering (Holdings); Hill & Smith Holdings, McKechnie; Metalrax Group; Senior Engineering Group; Triplex Lloyd
263 **Engineering, Specialities**
Bodycote International; Molins; Renold
264 **Engineering, Contractors**
Atlas Converting Equipment; Babcock International Group; Haden MacLellan Holdings; Howden Group; Protean; Rotork; Siebe; Spirax-Sarco Engineering; Weir Group; Whessoe
265 **Engineering, Diversified**
APV; Baynes (Charles); Bromsgrove Industries; Cardo Engineering Group; Concentric; David Brown Group; Domino Printing Sciences; BS Group; FKI; Halma; Hampson Industries; Hopkinsons Group; IMI; Johnson & Firth Brown; Linx Printing Technologies; Prospect Industries; TI Group
268 **Engineering, Aerospace & Defence**
British Aerospace; Chemring Group; FR Group; Hunting; Ipeco Holdings; Meggitt; Rolls-Royce; Smiths Industries; Vickers; Vosper Thornycroft Holdings; VSEL; Westland Group
269 **Instruments, Tools & Mechanical Handling Equipment**
Barry Wehmiller International; Bumfield; Dobson Park Industries; Fenner; GEI International; Huntleigh Technology; Life Sciences International; MTL Instruments Group (The); Neotronics Technology; Oxford Instruments; Powerscreen International; Renishaw; Servomex; Virten Group; Wagon Industrial Holdings; Whatman

■ SECTOR 27 Engineering, Vehicles
270 **Vehicle Components & Assemblers**
AAF Industries; Adwest Group; Avon Rubber; BBA Group; Benson Group; BSG International; GKN; Laird Group, Lucas Industries; Mayflower Corp'n; Motor World Group; T & N; Transfer Technology Group; Trinity Holdings

■ SECTOR 28 Paper & Packaging
280 **Paper & Packaging**
API Group; Arjo Wiggins Appleton; Blagden Industries; Bowater; Bo-more International; British Polythene Industries; Bunzl; Dolphin Packaging; Elswick; Ferguson International Holdings; Jarvis Porter Group; Low & Bonar; Macfarlane Group (Clansman); Portals Group; RPC Group; Sidlaw Group; Smith (David S) (Holdings); Waddington (John)

■ SECTOR 29 Textiles & Apparel
291 **Clothing Manufacturers**
Alexandra Workwear; Baird (William); Campari International; Claremont Garments (Holdings); Dewhirst Group; Helene; Leslie Wise Group; Sherwood Group; Stirling Group
293 **Wool**
Allied Textile Companies; Dawson International; Haggas (John); Sirdar
295 **Other Textiles**
Coats Viyella; Courtaulds Textiles; Hicking Pentecost; Jones Stroud (Holdings); Lamont Holdings; Leeds Group; Marling Industries; Readicut International; Scapa Group
297 **Footwear & Leather**
Black (Peter) Holdings; FII Group; Hartstone Group (The); Pentland Group

30 CONSUMER GOODS

■ SECTOR 31 Breweries
310 **Breweries**
Allied-Lyons; Bass; Boddington Group (The); Burtonwood Brewery; Fuller Smith & Turner; Greenalls Group; Greene King; Hardys & Hansons; Holt (Joseph); Mansfield Brewery; Marston Thompson & Evershed; Morland & Co; Scottish & Newcastle; Vaux Group; Wetherspoon (JD); Whitbread; Wolverhampton & Dudley Breweries; Young & Co's Brewery

■ SECTOR 32 Distillers & Wines
320 **Distillers & Wines**
Bulmer (HP) Holdings; Burn Stewart Distillers; Grand Metropolitan; Guinness; Highland Distilleries Co (The); Invergordon Distillers Group; Macallan-Glenlivet; Macdonald Martin Distilleries; Matthew Clark; Merrydown; Taunton Cider

■ SECTOR 33 Food Manufacturers
330 **Food Manufacturers**
Acatos & Hutcheson; Associated British Foods; Barr (AG); Bensford International; Booker; Cadbury Schweppes; Dalepak Foods; Dalgety; Devro International; Everest Foods; Finlay (James); Hazlewood Foods; Hillsdown Holdings; JLI Group; Matthews (Bernard); Nichols (JN) (Vimto); Northern Foods; Perkins Foods; Sims Food Group; Tate & Lyle; Unigate; Unilever; United Biscuits (Holdings); Yorkshire Food Group

■ SECTOR 34 Household Goods
342 **Furniture & Furnishings**
Airsprung Furniture Group; Calderburn; Cathay International Holdings; Cornwell Parker; Relyon Group; Silentnight Holdings; Walker Greenbank
344 **Floor Covering**
Halstead (James) Group; Stoddard Sekers International
346 **Household Requisites**
Jeyes Group; Lionheart; London International Group; Paterson Zochonis; Reckitt & Colman

■ SECTOR 36 Medical Ancillaries
360 **Medical ancillaries**
AAH; Amersham International; Bespak; Community Hospitals Group; Intercare Group; Isoron; ML Laboratories; Nestor-BNA; Quality Care Homes; Scholl; Seton Healthcare Group; Smith & Nephew; Takare; UniChem; Westminster Health Care Holdings

■ SECTOR 37 Pharmaceuticals
370 **Pharmaceuticals**
British Bio-Technology Group; Fisons; Glaxo Holdings; Grampian Holdings; Huntingdon International Holdings; Medeva; Proteus International; SmithKline Beecham; Wellcome; Zeneca

■ SECTOR 38 Tobacco
380 **Tobacco**
BAT Industries; Rothmans International

40 SERVICES

■ SECTORS 41 Distributors
412 **Distributors of Industrial Components & Equipment**
BM Group; Brammer; BSS Group; Electrocomponents; Farnell Electronics; ISA International; Wholesale Fittings (The);
414 **Distributors, Others**
Caskat; Ellis & Everard; Salvesen (Christian); Time Products

■ SECTOR 42 Leisure & Hotels
422 **Leisure**
Airtours; Boosey & Hawkes; David Lloyd Leisure; Eurocamp; First Leisure Corp'n; Granada Group; Hi-Tec Sports; Ladbroke Group; Manchester United; Owners Abroad Group; Stanley Leisure Organisation; THORN EMI, Vardon; Wembley;
424 **Hotels & Caterers**
City Centre Restaurants; Compass Group; Forte; Savoy Hotel; Stakis

■ SECTOR 43 Media
432 **Media Agencies**
Abbott Mead Vickers; Aegis Group; Bleinheim Group; CIA Group; Gold Greenlees Trott; More O'Ferrall; Page (Michael) Group; Reed Executive; Saatchi & Saatchi Co; Taylor Nelson AGB; WPP Group
434 **Broadcasting Contractors**
Anglia Television Group; Capital Radio; Carlton Communications; Central Independent Television; Grampian Television; LWT (Holdings); Metro Radio Group; Radio Clyde Holdings; Scottish Television; Ulster Television; Yorkshire-Tyne Tees Television
436 **Publishing**
Bristol Evening Post; Daily Mail & General Trust; Dorling Kindersley Holdings; EMAP; Hodder Headline; Johnston Press; Mirror Group Newspapers; Pearson; Portsmouth & Sunderland Newspapers; Reed International; Reuters Holdings; Trinity International Holdings; United Newspapers

■ SECTOR 44 Retailers, Food
440 **Retailers and Wholesalers, Food**
Albert Fisher Group; Argyll Group; ASDA Group; Ashley Group; Brake Bros; Budgens; Geest; Greggs; Iceland Group; Kwik Save Group; Low (William) & Co; Morrison (Wm) Supermarkets; Nurdin & Peacock; Park Food Group; Sainsbury (J); Tesco; Thorntons; Watson & Philip

■ SECTOR 45 Retailers, Multi department
450 **Retailers, Multi Department**
Amber Day Holdings; Argos; Asprey; Beattie (James); Bentalls; Betterware; Brown (N) Group; Christies International; Great Universal Stores; Kingfisher; Liberty; Marks & Spencer; Sears; Storehouse; Wyevale Garden Centres

■ SECTOR 46 Retailers, chain stores
460 **Retailers, Chain Stores**
Alexon Group; Ashley (Laura) Holdings; Austin Reed Group; Body Shop International; Boots Co; Brown & Jackson; Burton Group; Church & Co; Country Casuals Holdings; Courts (Furnishers); Dixons Group; Etam; Fine Art Developments; Frost Group; Lloyds Chemists; Menzies (John); MFI Group; Moss Bros Group; Next; Pentos; OS Holdings; Rosebys; Signet Group; Smith (WH) Group; Stat-Plus Group; T & S Stores; Tie Rack

■ SECTOR 47 Retailers, vehicle distributors
470 **Vehicle Distributors**
Appleyard Group; Cowie (T); European Motor Holdings; Evans Halshaw Holdings; Goode Durrant; Henlys; Inchcape; Kwik-Fit Holdings; Lex Service; Pendragon; Perry Group; Vardy (Reg)

■ SECTOR 48 Support Services
481 **Business Support Services**
Barbour Index; BET; British Data Management; Capita Group (The); Davis Service Group (The); Hays; OIS International Inspection; Proudfoot; RCO Holdings; Ricardo Group; Serco Group; Sherwood Computer Services
482 **Education, Business Training & Employment Agencies**
BPP Holdings; CRT Group
484 **Security & Alarm Services**
Automated Security (Holdings); Chubb Security; Photo-Me International; Reliance Security Group
486 **Laundries & Cleaners**
Johnson Group Cleaners; Sketchley; Warner Howard Group
487 **Computer Services**
ACT Group; Admiral; Electronic Data Processing; Logica; Macro 4; Micro Focus Group; Microgen Holdings; Misys; MR Data Management Group; Quality Software Products Holdings; Sage Group (The); Sema Group; Vistec Group
489 **Print Services**
Bemrose Corp'n; De La Rue; Hunters Armley Group; St Ives; Wace Group; Watmoughs (Holdings)

■ SECTOR 49 Transport
490 **Transport**
Associated British Ports Holdings; BAA; British Airways; Dawsongroup; Eurotunnel/Eurotunnel SA; Forth Ports; Mersey Docks & Harbour; National Express; NFC; Ocean Group; P & O Steam Navigation Co; Powell Duffryn; Stagecoach; Tibbett & Britten Group; Tiphook; Transport Development Group

■ SECTOR 51 Other Service & Businesses
512 **Pollution Control**
Attwoods; Caird Group; Leigh Interests; Rentokil Group; Shanks & McEwan Group
516 **Other Businesses**
Anglo United; Great Southern Group; Plenlebrook Group; Sinclair (William) Holdings; UDO Holdings

60 UTILITIES

■ SECTORS 62 Electricity
620 **Electricity**
East Midlands Electricity; Eastern Electricity; London Electricity; Manweb; Midlands Electricity; National Power; Northern Electric; Northern Ireland Electricity; NORWEB; PowerGen; Scottish Hydro-Electric; Scottish Power; SEEBOARD; South Wales Electricity; South Western Electricity; Southern Electric; Yorkshire Electricity Group

■ SECTOR 64 Gas Distribution
640 **Gas Distribution**
British Gas; Calor Group

■ SECTOR 66 Telephone
660 **Telephone Systems**
British Telecommunications; Cable & Wireless; Securicor Group; Vodafone Group

■ SECTOR 68 Water
680 **Water**
Anglian Water; Bristol Water Holdings; Mid Kent Holdings; North West Water Group; Northumbrian Water Group; Severn Trent; South Staffordshire Water Holdings; South West Water; Southern Water; Thames Water; Welsh Water; Wessex Water; Yorkshire Water

70 FINANCIALS

■ SECTOR 71 Banks
710 **Banks**
Abbey National; Bank of Scotland (Governor & Co of); Barclays; HSBC Holdings; Lloyds Bank; National Westminster Bank; Royal Bank of Scotland Group (The); Standard Chartered; TSB Group

■ SECTOR 73 Insurance, Composite
730 **Insurance, Composite**
Commercial Union; Domestic & General Group; General Accident; Guardian Royal Exchange; Royal Insurance Holdings; Sun Alliance Group; Trade Indemnity Group.

■ SECTOR 74 Insurance, Life
740 **Insurance, Life**
Britannic Assurance; Legal & General Group; London & Manchester Group; Prudential Corp; Refuge Group; United Friendly Group

■ SECTOR 75 Merchant Banks
750 **Merchant Banks**
Close Brothers Group; Hambros; Kleinwort Benson Group; Schroders; Singer & Friedlander Group; Warburg (SG) Group

■ SECTOR 77 Other Financial
772 **Financial, Other**
Aberdeen Trust; Baltic; Caledonia Investments; Cattle's (Holdings); First National Finance Corp'n; Henderson Administration Group; INVESCO; Ivory & Sime; Jupiter Tyndall Group; London Forfaiting Co; London Scottish Bank; M & G Group; MAI; Provident Financial; Rathbone Brothers; Rutland Trust; S & U; Secure Trust Group; Smith New Court; St James's Place Capital; Trio Holdings
774 **Discount Houses**
Cater Allen Holdings; Gerrard & National Holdings
778 **Insurance Brokers**
Bradstock Group; Heath (CE); Hogg Group; Hogg Robinson; JIB Group; Lloyd Thompson Group; Lowndes Lambert Group Holdings; Sedgwick Group; Steel Burrill Jones Group; Sturge Holdings; Willis Corroon Group

■ SECTOR 79 Property
792 **Property**
Allied London Properties; Asda Property Holdings; Billton; Bradford Property Trust; British Land Co; Brixton Estate; Burford Holdings; Chesterfield Properties; Daejan Holdings; Evans of Leeds; Frogmore Estates; Great Portland Estates; Hammerson Property Inv & Dev Corp'n; Land Securities; London Merchant Securities; MEPC; Mucklow (A & J) Group; Peel Holdings; PSIT; Savile Gordon (J) Group; Scottish Metropolitan Property; Slough Estates; Southend Property Holdings; Stanhope Properties; Town Centre Securities; Trafford Park Estates; Warner Estate Holdings; Wates City of London Properties
794 **Property Agencies**
Hening Baker Harris Group

80 INVESTMENT TRUSTS

■ SECTOR 80 Investment Trusts
802 **Investment Trusts**
Aberforth Smaller Companies Trust; Abtrust New Dawn Investment Trust; Alliance Trust; American Trust; Anglo & Overseas Trust; Baillie Gifford Japan Trust; Bankers Investment Trust; Baring Tribune Investment Trust; Beta Global Emerging Market Inv Tst; British Assets Trust; British Empire Secs & General Trust; Brunner Investment Trust; BZW Convertible Investment Trust; Candover Investments; Continental Assets Trust; Drayton Far Eastern Trust; Dundee & London Investment Trust; Dunedin Income Growth Investment Tst; Dunedin Worldwide Investment Trust;
Edinburgh Investment Trust (The); EFM Dragon Trust; Electra Investment Trust; Electric & General Investment Co; English & Scottish Investors; Exeter Preferred Capital Inv Trust; Fidelity European Values; Finsbury Growth Trust; Fleming American Investment Trust; Fleming Claverhouse Investment Trust; Fleming Continental Euro Inv Trust; Fleming Emerging Markets Inv Trust; Fleming Enterprise Investment Trust; Fleming European Fledgeling Inv Tst; Fleming Far Eastern Investment Trust; Fleming Fledgeling Investment Trust; Fleming Japanese Investment Trust; Fleming Mercantile Investment Trust; Fleming Overseas Investment Trust; Foreign & Colonial Enterprise Trust; Foreign & Colonial Eurotrust; Foreign & Colonial German Inv Trust; Foreign & Colonial Investment Trust; Foreign & Colonial Pacific Inv Tst; Foreign & Colonial PEP Investment Tst; Foreign & Colonial Smaller Companies; Foreign & Colonial US Smaller Co's
Gartmore Emerging Pacific Inv Trust; German Investment Trust; German Smaller Companies Inv Tst; Govett Oriental Investment Trust; Govett Strategic Investment Trust; Greenfriar Investment Co; GT Japan Investment Trust; Henderson Highland Trust; Henderson Strata Investments; Hoare Govett Smaller Co's Idx Inv Tst; I & S UK Smaller Companies Trust; Ivory & Sime Enterprise Capital; Keystone Investment Co; Kleinwort Charter Investment Trust; Kleinwort Endowment Policy Trust; Kleinwort Overseas Investment Trust;
Law Debenture Corp; London American Growth Trust; Lowland Investment Co; Majedie Investments; Malvern UK Index Trust; Martin Currie Pacific Trust; Merchants Trust; Mopics Investment Trust; Moorgate Investment Trust; Moorgate Smaller Companies Income Trust; Morgan Grenfell Equity Income Trust; Murray Income Trust; Murray International Trust; Murray Smaller Markets Trust; Murray Ventures; New Frontiers Development Trust; North British Canadian Investment Co; Overseas Investment Trust;
Pacific Assets Trust; Paribas French Investment Trust; Pilot Investment Trust; BIS Capital Partners; Scottish American Investment Co; Scottish Eastern Investment Trust; Scottish Investment Trust; Scottish Mortgage Trust; Scottish Value Trust; Second Alliance Trust; Second Consolidated Trust; Second Market Investment Co; Securities Trust of Scotland; Selective Assets Trust; Shires Investment Co; St Andrew Trust; Temple Bar Investment Trust; Templeton Emerging Markets Inv Trust; Thornton Asian Emerging Mkts Inv Tst; Throgmorton Trust; TR City of London Trust; TR European Growth Trust; TR Far East Income Trust; TR High Income Trust; TR Pacific Investment Trust; TR Property Investment Trust; TR Smaller Companies Investment Trust; [illegible] Value & Income Trust; Whitbread Investment Co; Witan Investment Co

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INTERNATIONAL BONDS

Finland helps Eurosterling sector back to life

THE EUROSTERLING sector of the international bond market has bounced back to life, helped by a sizeable new issue from Finland last week and the prospect of further new issuance in the coming week.

Depfa (Germany's largest mortgage bank), Fisons, and Turkey are three of the names being talked about in the market as likely to launch Eurosterling deals this week, although a big question mark hangs over the latter.

On Friday, Moody's, the credit rating agency, placed Turkey's rating under review for possible downgrade because of concern about its deteriorating public finances. Turkey has a long-term debt rating of Baa3 from Moody's, making it investment grade. If Moody's lowers the rating, it would fall into the sub-investment grade category.

At worst, Turkey's Eurosterling issue could be postponed until a decision on the debt rating is taken, although market participants on Friday thought the deal would probably still go ahead but with a more generous yield pick-up over gilts than the 220 basis points initially indicated by the lead manager.

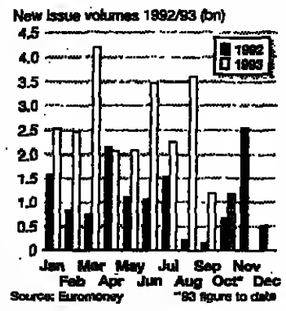
This year has seen a record amount of Eurosterling issuance, admittedly at a time when the international bond market as a whole is witnessing record volums. Eurosterling issuance so far this year has reached £25.012bn, up from 1992's total of £13.107bn, according to figures compiled by Euromoney.

Much of this year's issuance, however, took place in the first and second quarters. Foreign investors were willing to buy sterling assets to take advantage of currency appreciation, whils investors in general were attracted by the relatively high yields and the prospect of falling interest rates. Borrowers hungry for funds took advantage of the demand and in many cases the deals were swap-driven.

Eurosterling yield spreads over appropriate gilts have declined quite substantially this year. For example, the S.G. Warburg Securities All-Stocks Non-Gilt Index

Eurosterling bonds

New issue volumes 1992/93 (bn)



Source: Euromoney *'93 figure to date

shows the average spread over gilts has fallen from 98 basis points at the end of 1992, to a low of 58 basis points on August 24, and stood at 61 basis points on Friday.

For example, BT launched a 10-year £500m issue at a spread of 18 basis points over the gilt on August 25. Since then, the spread has tightened considerably and last Friday, Lehman Brothers, joint lead manager for the deal, was quoting a spread over the gilt of 3 basis points (bid) or flat (offer).

"Spreads have been tight and they are now beginning to reach a low," said one dealer, adding that this was a reflection of strong demand from overseas investors, many of whom were attracted by Eurosterling yields and the prospect of sterling appreciation, particularly against a background of declining European interest rates.

After a period of consolidation in September, the sector appears to have recovered and rumours of further new issuance have started to circulate. However, despite investors' calls for long-dated paper, new supply is likely to be concentrated in the short and medium-dated areas given the positive shape of the yield curve. Most issuance this year has been in the six to 10-year area, with this sector accounting for £12.509bn, compared with £6.311bn in the ona to five-year area.

A few names in the financial sector have opted for longer-dated subordinated capital but corporate names have steered clear of the ultra-long area. "If you are a corporate borrower, it is difficult to convince your board to lock into interest rates at 9 per cent at the long end when short interest rates are 6 per cent," said one dealer.

It seems unlikely that corporate borrowars will issue ultra-long bonds unless the yisld curve starts to flatten. "At present, any company which borrows at the long end and does not pnt the money to immediate use is going to suffer an enormous opportunity cost of carry," said Mr Tony Moverley of Baring Sterling Bonds. Also, most corporate borrowers expect long-term interest rates to continue to decline, perhaps to 6.75–7.00 per cent from the current level of 7.2 per cent.

"Frankly, most UK corporates can afford to wait," says Mr Peter Capel of Hoare Govett.

Sara Webb

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Maturity	Coupon %	Price	Yield %	Launch spread bp	Book runner
US DOLLARS							
Nissho Corp(a)‡ϕ	130	Oct.1997	0.75	100	-	-	Nomura International
Telecom Argentina	500	Oct.2000	8.375#	99.40R	8.490	+348 (8¾%-00)	Chase Investment Bank
Pennzoil Co.(c)§	435	Oct.2003	4.75#	100	-	-	Lehman Brothers Intl.
Woodfield Finance Corp.(d)‡	172	Oct.1998	(d)	100	-	-	JP Morgan Securities
K.Peabody Accept.Corp.1(e,f)‡	100	Sep.1998	(f)	100	-	-	Kidder Peabody Intl.
K.Peabody Accept.Corp.1(e,g)‡	100	Sep.2000	(g)	100	-	-	Kidder Peabody Intl.
Sino Land Co.(m)§	175	Oct.2000	5.00	100	-	-	Jardine Fleming
Korea Electric Power Corp.	190	Oct.1996	4.50	99.332R	4.744	+55 (4⅝%-96)	Merrill Lynch Intl.
Korea Electric Power Corp.	165	Oct.1995	4.125	99.57R	4.354	+45 (3⅞%-95)	Merrill Lynch Intl.
Skandia Capital	150	Nov.1998	8.00	99.836R	8.039	+125 (4⅝%-98)	Morgan Stanley Intl.
El Puerto de Liverpool	100	Oct.1996	7.25#	99.84R	7.310	+320 (4⅛%-96)	Lazard Frères & Co
Bayerische Landesbank	500	Nov.1998	4.75	99.42R	4.884	+15 (4⅜%-98)	UBS
DINE	75	Oct.1998	8.125#	99.95R	8.137	+345 (4⅝%-98)	JP Morgan Securities
Banco de Galicia(s,w)	50	Sep.1996	7.585#	99.8905R	7.625	+352 (4⅝%-96)	ING Bank
D-MARKS							
European Investment Bank	500	Oct.1998	5.75	101.88	5.317	-	WestLB
Bank Austria	250	Nov.2003	8.125	99.375R	8.211	+22 (6½%-03)	Dresdner Bank
Province of Quebec	500	Nov.2003	6.375	99.325R	6.469	+48 (6½%-03)	WestLB
Council of Europe(v)‡	100	Nov.2003	6.00	101.90	-	-	Trinkaus & Burkhardt
STERLING							
Republic of Finland	500	Oct.2000	7.00	99.65R	7.065	+37 (9⅝-00)	BZW/ JP Morgan Secs.
Gracechurch PLF (No.1)(o,p)‡	250	Dec.1998	(p)	99.975R	-	-	Barclays de Zoete Wedd
Gracechurch PLF (No.1)(o,q)‡	30	Dec.1998	(q)	100	-	-	UBS
Bank of Scotland(r)	200	undated	8.625	99.204R	8.710	+130 (8⅝-13)	Hoare Govett/ Salomon
YEN							
Sumitomo Corp.O'seas Capl.(s)	15bn	Feb.1996	2.90	100.15R	-	-	Mitsubishi Finance Intl.
FRENCH FRANCS							
France Telecom	2bn	Nov.2006	6.25	98.53R	6.420	+16 (h)	CCF
Kingdom of Sweden(i)	1bn	Oct.2003	6.45	100R	6.450	+35 (6¾%-03)	CCF
Kingdom of Denmark	7bn	Oct.1999	5.50	98.61R	5.781	+15 (8⅛%-99)	Banque Paribas
Department of Hauts-de-Seine	700	Nov.2004	6.25	99.53R	6.311	+22 (8¼%-04)	Deutsche Bank France
General Electric Capital Corp	1.5bn	Oct.1998	5.50	98.898R	5.780	+20 (5⅞%-98)	Merrill Lynch (France)
Crédit Local de France(t)	1bn	Aug.1998	5.75	98.941R	5.759	+15 (5½%-98)	CNCA
Banque Paribas	4bn	Nov.1998	6.00	99.33R	6.160	+52 (9¼%-98)	Banque Paribas
CANADIAN DOLLARS							
Bayerische Landesbank‡	100	Nov.2003	(j)	99.875R	-	-	M. Lynch/ Wood Gundy
Inter-American Dev'ment Bank	250	Nov.2003	7.25	99.065R	7.398	+23 (7½%-03)	Swiss Bank Corp.
Telesat Canada	75	Oct.1998	7.50	99.55R	7.612	+110 (6½%-98)	CS First Boston
KfW International Finance	200	Nov.1997	6.00	99.58R	6.122	+33 (6½%-96)	Swiss Bank Corp.
Bayerische Versinsbank	150	Dec.1997	8.00	99.375R	8.17	+37 (6½%-96)	Wood Gundy
General Electric Capital Corp	125	Nov.1998	6.375	99.85R	8.411	+15 (6½%-98)	Paribas Capital Markets
ITALIAN LIRE							
Cle Industriali Riunite(k)§	283bn	Oct.1998	2.00	81.209	-	-	Lehman Brothers Intl.
Bayerische Hypobank	150bn	Nov.1998	8.05	101.755	7.615	-	BCI/ Banca Euromobiliare
Kingdom of Sweden	300bn	Oct.1996	8.00	101.53	7.413	-	Banca Euromobiliare
AUSTRALIAN DOLLARS							
GMAC Australia Finance	50	Nov.1998	7.25	101.55	6.873	-	Hambros Bank
Sth.Australian Govt.Fin.Auth.	100	Nov.1998	8.50	101.50	6.143	-	Hambros Bank
DANISH KRONER							
City of Copenhagen	350	Nov.2000	6.75	102	6.387	-	Unibank
PESETAS							
Kingdom of Denmark‡	15bn	Oct.1998	(n)	100R	-	-	Bco.Negocios Argentaria
HONG KONG DOLLARS							
Swedish Export Credit	300	Nov.1998	(l)	100R	-	-	Morgan Stanley Asia
SWISS FRANCS							
Asahipen Corp.(b)*ϕ	80	Oct.1997	0.50	100	-	-	Credit Suisse
STEG*	60	Nov.1997	4.375	102	3.826	-	Credit Suisse
Tokyo Gas Co.	200	Nov.2002	4.50	102.375	4.178	-	UBS
UIC(u)	100	Nov.2000	4.75	101.75	4.454	-	Coutts & Co.
City of Vienna*	150	Nov.1997	4.25	101.90	3.730	-	Swiss Bank Corp.
LUXEMBOURG FRANCS							
Genfinance Luxembourg	1bn	Nov.2003	7.375	101.95	7.096	-	BGL

Fixed terms and non-callable unless stated. The yield spread (over relevant government bond) at launch is supplied by the lead manager. *Private placement. §Convertible. ‡With equity warrants. ±Floating rate note. #Semi-annual coupon. R: fixed re-offer price. a) Long first coupon. Denom.: $10,000 + 2 warrants. Exercise price: Y1815. FX: 106.85Y/$. b) Denom.: SFr50,000 + 50 warrants. Exercise price: Y723. FX: 74.98Y/SFr. Callable on 21/10/95 at 101% declining by ½% annually. c) Exchangeable into Chevron shares at $117%. Callable after 5 years at par. d) Coupon pays 3-month Libor +0.5%. Callable at 100¼% for 1st 2 years and par thereafter. Extension clause. e) Backed by 15 shopping malls. Expected maturities are shown: actual maturity is Sep.2006. Plus 25 days accrued interest. f) Class A1 certificates. Coupon pays 1-month Libor + 0.5%. g) Class A2 certificates. Coupon pays 1-month Libor + 0.65%. h) Spread is over interpolated OATs. i) Callable at par on coupon payment dates from 28/10/95. j) Coupon pays 3-month BA's + 0.3%; minimum 6%, maximum 9%. k) Exchangeable into Olivetti shares at L2150. Callable from Oct.1996 at accrued value and from Oct.1984, subject to 130% rule, at accrued value. l) Coupon pays 13.35% - 2 x 3-month Libor for 1st 2 years and 6.5% fixed (semi-annual) thereafter. m) Conversion price: HK$6.88. FX: 7.73808HK$/$. Callable, subject to 140% rule, from 21/10/96 at 104% declining by 1% annually. n) Coupon pays 10% fixed for 1st 6 months and 15.5% - 6-month Libor thereafter. o) 2 tranche asset backed deal. Callable on any interest payment date if the outstanding principal falls below 10% of issued amount. p) Class A notes. Coupon pays 3-month Libor +0.2% until Dec.1996 and +0.5% thereafter. Average life: 1.26 years. q) Class B notes. Coupon pays 3-month Libor +0.85%. Average life: <2 years. r) Callable on 4/11/13 at par and every 5 years thereafter. If not called on any interest payment date coupon will be reset at the higher of the existing coupon or the then prevailing 5-year benchmark gilt +230bps. s) Short 1st coupon. t) Fungible with the outstanding FFr500m. Plus 61 days accrued interest. u) Puttable at option of Coutts if major shareholder's stake falls below 51%. v) Exchangeable on 25/11/96, 97 or 98 into FRN with coupon paying 6-month Libor - 0.10% and 25/11/2011 maturity. w) Participation certificates backed by certificate of deposit. Note: Yields are calculated on ISMA basis.

RISK AND REWARD

Volatility a derivative of the new US accounting standards

US BANKS and insurance companies will have more market risks to manage when new US accounting standards come into effect in January. The rules require countless capital-sensitive institutions to reconsider the assets in their portfolio, and in some cases, mark them to market for the first time, , that is, price a position or portfolio at current market prices.

Assets not intended to be held to maturity must either be classified as "available for sale", and marked to market, with unrealised gains and losses reflected in equity, or counted as "trading" with unrealised gains and losses affecting income.

That is a shock to the more conservative banks that value assets at historical amortised cost. If a bank has long-term bonds in its portfolio and cannot prove they will be hald to maturity, the securities must be marked to market quarterly.

Since the current low interest rate environment has been kind to long-term investmsnts, the initial effect on most institutions' equity will be beneficial. But under the new rules, profitable portfolios will be subject to the whims of the market, and even a small increase in interest rates at the end of a reporting period could mean marking down asset values.

The new standards, dubbed Financial Accounting Standards Board rule 115 (FAS 115), will skew tha true picture of the nation's banks and introduce unnecessary capital volatility, according to the American Bankers Association, tha US banking lobby. Part of the ABA's objections are based on the fact that FAS 115 addresses only one side of the balance sheet. Even if a bank has perfectly matched assets and liabilities, only the assets will be marked to market, conveying an inaccurate picture of its capital position.

The reaction by small banks has been to sborten their capital holdings. Maturities of four years or under are far less volatile than long-term bonds, though not nearly so profitable. With the yield curve at its steepest level in years, shortening maturities could mean sacrificing 200 to 300 basis points in income, trimming earnings.

Given the recent history of US banking, bankers say they will gladly forgo income to preserve capital and public confidence. Derivatives specialists argue that the trade-off need not be so costly, and proper hedging can insulate a portfolio from market volatility. Mr Craig Schiffer, managing director for fixed income derivatives at Lehman Brothers, says he has seen a big pick-up in interest in off-balance sheet products since FAS 115 was announced in June.

Most popular with banks, he says, have been index amortising swaps, and collateralised mortgage obligation (CMO) swaps. Where standard interest rate swaps exchange coupons while principal remains unchanged, both of these products allow for the principal to be drawn down if interest rates fall, imitating mortgage prepayments.

Mr Richard Lodge, a senior vice president with Ohio-based BancOne, a rapidly-expanding super-regional bank, says derivatives allow a bank to customise its portfolio. "You can get the kind of risk you want, and the kind of maturities. That isn't available in the bond market. In the cash market, you have to buy what's on the shelf."

He admits his bank's enthusiasm for derivatives is rare and that invariably, when BancOne buys a regional affiliate, it comes with little experience or understanding of derivatives. Valley National Bank of Arizona, with $12bn in assets, had barely dabbled in derivatives wben BancOne bought it a year ago. A designed programme of derivatives stabilised its assets, and witb a recent subordinated debt issue, boosted capital ratios.

Still, Mr Lodge worries that FAS 115 will drive uninitiated bankers to derivatives use for the wrong reason, and draw the attention, and ire, of regulators already uneasy with the systemic risks associated with structured securities. "My fear is they will rush into these things headlong," he says, "Most small and medium-sized banks don't have the means to manage them."

Wall Street, he adds, has the responsibility to make sure the derivatives they sell are suitable for these new customers.

Laurie Morse

Today Europe. Wednesday 13 The World.

The FT Exporter is a quarterly review providing comprehensive, up to the minute news and information for exporters, including an exclusive Top 100 list of the UK's leading exporters.

It will provide expert analysis of export opportunities in China and Poland as well as insight into the cross-border trade implications of the GATT negotiations.

Mr Mickey Kantor, the United States' top trade official, gives his views on building links with Asia – and the risks for Europe if it does not do so.

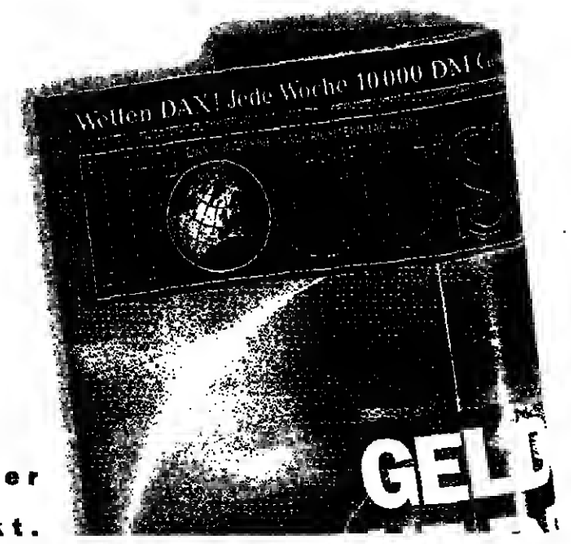
There is also a users' guide to export finance, profiles on the most successful exporters and much more besides.

So if you're interested in the world of exports read the FT Exporter, published on Wednesday, October 13 with Europe's Business Newspaper.

FT Exporter.

FT. Because business is never black and white.

It's not so lonely at the top*.



FOCUS. Schneller auf den Punkt.

* As 3.1 million readers in Germany know. (Source: AWA '93, Spring '93, tracking study)

MC&LB

UK GILTS

Dealers pin hopes on inflation figures

BOND specialists are hoping publication this week of the latest figures for UK retail-price inflation will breathe new life into a lacklustre gilt market.

A month ago, gilts suffered a sharp fall after a higher than expected increase in inflation in August. An inflation figure for September substantially different from the one anticipated by gilt dealers is likely to move the market substantially.

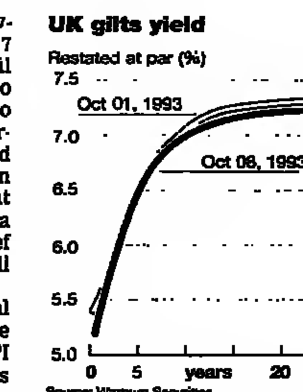
This week also sees publication of a range of other UK economic data, including the latest unemployment figures and details of factory goods inflation last month, which may influence the market after a run of two weeks of muted yield reductions.

Last week, long-dated gilts saw a fall in yields of about 10 basis points, with the yield on 15-year bonds being quoted on Friday night at just over 7 per cent on a par basis.

The market's subdued recovery from the surprise of a 1.7 per cent increase in the retail prices index in the year to August has been mainly due to the generally good performance of other European bond markets. There has also been the perception in the UK that the recovery is weakening, a factor helping drive the belief that inflationary forces are still relatively insubstantial.

On Wednesday, the Central Statistical Office will announce the year-on-year rise in the RPI to last month. City analysts expect this will stay at 1.7 per cent. They also believe the Treasury's figure for underlying inflation – the year-on-year rise in the RPI, excluding mortgage interest payments – will be 3.1 per cent last month, the same as in the year to August.

Behind these expectations is the feeling that the UK economic recovery is running out of steam, a view backed by a survey of opinion among nearly 2,000 British companies published today by Dun & Bradstreet, a business information company. This says the upturn is "flattening out", with more than a fifth of employers not planning to give staff pay increases over the next year.



More evidence of weak economic conditions will be sent privately by fax later today to UK Treasury economists from the House Builders' Federation. This is a trade association which every Monday sends the department data on the latest level of demand for new houses as registered by 26 of Britain's big housebuilding companies.

The Treasury uses this data in trying to monitor economic conditions in the UK generally, part of its new-found interest in following events in a range of specific industrial sectors.

The federation's latest figures indicate subdued demand for new houses, a big factor in the sluggish pace of growth in the past six months. Mr Roger Humber, the federation's director, says: "The housing business has seen some improvement from last year. But last year was terrible. We're still some way from being where we would like to be."

As for other industrial sectors, Mr Kevin Mahoney, managing director of double-glazing company Caradon Everest and a member of the Treasury's industrial prospects committee, says demand in his sector is patchy, adding:"We're unlikely to see any rapid take off [in overall demand]".

While sentiment like this persists in the business world, demand for gilts is likely to remain relatively strong, keeping prices at around existing levels.

● The Bank of England is selling from today £950m of gilts in three tranches: £350m of 7 per cent Treasury bonds due 2001, £350m of 8¾ per cent Treasury stock due 2017 and £250m of index-linked 2½ per cent bonds due 2011. The 2001 stock is being issued at a price of 101$\frac{11}{32}$, the gilts due 2017 at 118 and the index-linked stock at 168⅝.

Peter Marsh

US MONEY AND CREDIT

Employment report kicks bond market back into life

THE US BOND market, which has been trapped in a narrow trading range recently, has needed something to kick-start it back into life in the past couple of weeks. That something arrived last Friday in the shape of the September employment report.

The monthly jobs data sparked a strong rally in Treasury prices, with particularly heavy buying by retail investors. By the day's end, the 30-year bond had climbed by 1¼ points, and the yield had dropped from near 6 per cent to 5.917 per cent – close to its historic low.

At first glance, the bond market's reaction looked grossly overdone. The main figures – non-farm payrolls up 156,000 and the national unemployment rate steady at 6.7 per cent – were right in line with expectations. Traders and investors, however, quickly looked beyond the headline numbers and found plenty to get excited about.

Among the data that lifted the bond market's spirits were: yet another fall in manufacturing jobs; a flat manufacturing work-week; a lower overall average work-week; no wage inflation; and a revision that showed an even bigger decline than previously reported in August non-farm payrolls.

Much of the overall increase in payrolls was accounted for by a big increase in government hirings, which rose by 71,000.

Taken together, the figures told a familiar story. The economy continues to grow slowly, creating new jobs at a subnormal pace, and lack of growth in the labour market should help keep a lid on inflation.

All of this is clearly positive for bonds, which explains why prices took off on Friday. The data should also ensure that Federal Reserve policy will remain on hold for at least another few months.

The chances that monetary policy will not be tightened soon has also been boosted by the news that the Fed's most well known anti-inflation "hawk", governor Wayne Angell, is leaving the Federal Reserve Board at the end of this year.

As brokerage house Donaldson Lufkin & Jenrette commented: "With his departure, there will be one less member of the FOMC [the Fed's policy-making Open Market Committee] fighting against the grain."

DLJ also noted that the FOMC has a new member, in the form of Mr William McDonough, who took over the helm at the New York Fed a few months ago.

The brokerage house says that recent comments by McDonough suggest he is concerned by the economy's poor performance, but satisfied with current levels of inflation.

Angell's departure and McDonough's arrival can only shift the balance of power at the Fed further in favour of those who are more worried by the lack of economic growth than any possibility of a resurgence in inflation.

This week's producer and consumer prices data for September should be a reminder of how non-threatening inflation is today.

So far this year, consumer prices have risen at an annual rate of 2.8 per cent (down from 3.0 per cent last year) and producer prices at a rate of just 0.6 per cent (down from 2.1 per cent last year).

Wall Street is expecting more of the same when the figures are released on Thursday and Friday. Analysts forecast that producer prices will have risen by about 0.3 per cent last month and consumer prices by about 0.2 per cent.

If the numbers come in no higher than forecast, then bond prices could post fresh gains, sending long-dated yields down to new lows, and possibly even below 5.9 per cent for the first time.

● The US bond market will be closed today because of the Columbus Day holiday.

Patrick Harverson

DUTCH BONDS

Yield gap with German bunds expected to narrow

DUTCH government bonds are set to outperform other D-Mark bloc markets near-term, underpinned by their supply advantage, but the yield gap between Dutch and German bonds is expected to narrow towards year-end as Dutch issuance resumes and the two countries' inflation rates begin to converge.

With Thursday's sale of Fl 2.8bn of 30-year 7.5 per cent Dutch State Loans the government has all but completed its 1993 funding programme, leaving only some Fl 1.5bn to be raised through private placements and on the money market.

Last week's auction of state loans was a roaring success, boosted by heavy bidding from foreign investors who snapped up about 90 per cent of the issue.

There will be no more auctions until the end of the year, when the government starts front-funding next year's deficit.

"We plan to hold our traditional December issue around mid-December," said an official at the national debt office.

The 1994 borrowing requirement is set at Fl 51.5bn, barring any early redemptions to the government.

This year, such early redemptions cut the funding requirement to Fl 40.7bn from a forecast Fl 45bn, the official said.

The Dutch supply situation compares favourably with that of Germany, where the bund market will have to digest another four long-dated issues and three medium-dated debt issues, which are expected to total around DM50bn, before the end of the year.

A further advantage over Germany is that the Dutch bond market, with maturities of up to 30 years, offers investors a significant duration pick-up over bunds, the maximum maturity of which is 10 years.

"For duration-junkies, this is the place to be," says a trader. France also has a liquid 30-year sector but currency worries there have been putting many investors off.

The past few weeks have seen widespread maturity-lengthening by international investors amid fading hopes for near-term interest rate cuts.

Central banks across Europe are waiting for the Bundesbank to kick off the next round of rate cuts, but even when that does happen, the easing pace is expected to remain very cautious, underpinning longer maturities most.

"On the Dutch yield curve, the best strategy is the duration strategy," said Mr Torsten Böhler, bond analyst at UBS.

Despite last week's surge, the 30-year 7.5 per cent bond still looks quite cheap, said one trader, who pointed out that at 51 basis points, the spread between the 30-year and 10-year yield was well above its 39 basis point low earlier this year.

The bond also looks attractive compared with the US long bond, offering a yield pick-up of some 42 basis points.

Lastly, the Dutch 30-year is one of the few bonds in Europe's core markets that offers a positive cost of carry - a yield above money-market funding rates.

Dutch three-month money currently trades around 6.28 per cent while the 30-year bond yields some 6.39 per cent.

In the 10-year sector, Mr Böhler at UBS expects the Dutch yield to move as much as 20 basis points below the bund yield near-term, largely on the supply argument. Late on Friday, the yield gap was nine basis points.

However, the market's outperformance may not last far into the next year as the Dutch economy, which stagnated this year, stages a faster recovery than Germany's.

UBS is forecasting GDP growth of 1.5 per cent, compared with forecasts for 0.7 per cent German GDP growth.

Moreover, with the Dutch guilder firmly pegged to the D-Mark, there is little scope for currency appreciation on economic outperformance.

Meanwhile, the inflation gap between the two countries, which has helped boost the Dutch market, is widely expected to narrow to around 0.5 per cent next year, implying that Dutch yields will move back into line with Germany's.

Dutch inflation in August was 2.0 per cent, compared with Germany's 4.2 per cent. A Dutch September inflation number clearly below 2 per cent is expected to be released this week; in Germany, the September rate was 4.0 per cent.

The Dutch elections, expected in May, could also cause temporary volatility, although most observers feel that, whichever party wins, the country's commitment to running a tight fiscal policy will remain on course.

Conner Middelmann

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 10.10.93: Pool purchase price £/MWh	Final Prices for Trading on 12.09.93: Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.97	21.10	24.00
0100	17.97	18.11	18.11
0130	18.05	18.07	10.07
0200	21.19	10.07	18.07
0230	22.55	18.11	18.11
0300	22.56	10.11	18.11
0330	21.19	18.07	18.07
0400	21.19	10.07	18.07
0430	17.99	18.07	18.07
0500	17.98	18.07	18.07
0530	20.07	18.72	21.62
0600	17.99	18.03	18.03
0630	17.99	18.03	18.03
0700	17.98	18.01	18.01
0730	20.67	18.01	18.01
0800	21.98	20.33	23.23
0830	21.48	20.67	23.77
0900	21.72	20.95	23.85
0930	21.51	20.95	23.65
1000	21.72	23.15	26.06
1030	22.09	23.98	26.57
1100	22.43	23.98	26.57
1130	23.74	24.20	27.10
1200	32.32	23.69	26.57
1230	32.32	29.61	32.51
1300	32.32	29.81	32.01
1330	32.32	29.81	32.51
1400	23.74	24.20	27.10
1430	18.11	22.03	24.93
1500	18.07	21.18	24.06
1530	18.05	18.98	18.09
1600	18.05	18.09	18.09
1630	18.98	18.09	18.09
1700	18.05	21.16	24.06
1730	18.98	21.25	24.10
1800	23.74	21.25	24.15
1830	23.74	21.35	24.15
1900	32.27	21.25	24.15
1930	39.98	24.57	27.47
2000	39.98	34.67	37.67
2030	25.69	36.00	38.90
2100	23.61	36.00	38.90
2130	22.59	36.00	38.90
2200	22.56	24.57	27.47
2230	22.59	23.71	26.61
2300	21.72	23.10	26.05
2330	18.07	21.10	24.06
2400	17.98	20.95	23.65

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0602-438786 between 8.30am and 5.15pm Monday to Friday.
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1/2 hour period ending	Provisional Price for Trading on 11.10.93: Pool purchase price £/MWh	Final Prices for Trading on 13.09.93: Pool purchase price £/MWh	Pool selling price £/MWh
0030	17.98	20.72	23.57
0100	17.97	20.33	23.10
0130	17.98	20.33	23.10
0200	21.48	20.33	23.18
0230	21.72	20.33	23.10
0300	21.72	20.33	23.10
0330	21.48	20.33	23.10
0400	17.99	20.33	23.10
0430	17.98	18.72	21.56
0500	17.98	18.72	21.56
0530	17.98	17.96	17.96
0600	17.97	17.98	17.98
0630	17.99	18.05	18.05
0700	18.90	18.07	19.07
0730	26.05	26.40	29.26
0800	33.30	28.91	31.79
0830	33.31	31.90	34.79
0900	33.32	32.10	35.06
0930	27.74	32.36	35.40
1000	29.10	32.58	35.98
1030	29.11	32.68	35.01
1100	29.12	32.80	35.98
1130	28.14	33.14	36.37
1200	41.98	33.58	36.68
1230	41.88	38.86	43.10
1300	41.98	39.40	42.80
1330	26.08	38.78	41.81
1400	25.62	28.27	21.24
1430	25.63	28.20	31.16
1500	23.62	28.20	31.15
1530	25.62	28.21	31.17
1600	25.63	28.42	01.45
1630	31.94	32.91	36.08
1700	01.97	39.64	42.98
1730	31.98	38.42	42.61
1800	81.94	38.87	41.92
1830	30.31	28.02	30.82
1900	36.18	27.84	30.71
1930	36.16	26.44	29.32
2000	32.06	43.25	46.14
2030	28.73	43.25	46.14
2100	25.28	43.22	46.98
2130	25.28	28.51	28.51
2200	24.23	18.50	18.50
2230	24.14	18.54	18.84
2300	21.78	19.07	19.07
2330	21.78	18.24	18.24
2400	18.08	18.11	18.11

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £18.88/MWh becomes 1.888p/kWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The calculation of pool prices is a highly complex process the product of which is subject to revision or correction (and sometimes major alterations) until final pool prices are determined approximately twenty-four days after the day of trading. Accordingly, due to the possibility of their revision and/or correction, no reliance should be placed upon provisional pool prices for any day being the same as final pool prices for that day. Final pool prices are also capable of revision. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Further information on pool prices is provided on behalf of the Pool by Energy Settlements and Information Services Limited. Anyone wishing to receive such information should telephone 0602-458786 between 8.30am and 5.15pm Monday to Friday.
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POSTIPANKKI LTD
YEN 3,000,000,000 17% NOTES DUE 1994

NOTICE IS HEREBY GIVEN THAT Postipankki Limited has elected to redeem on October 18, 1993 (the "Redemption Date") all of its outstanding Yen 3,000,000,000 11% Notes due 1994 (the "Notes") pursuant to paragraph 5 (b) of the Terms and Conditions of the Notes. On and after the redemption date interest on the Notes will cease to accrue. The Notes together with all unmatured coupons attached thereto, should be presented for payment and surrendered at the office of the Fiscal and Principal Paying Agents as set out on the reverse of the Note.

October 11, 1993, London
By: Citibank, N.A., Fiscal and Principal Paying Agent
CITIBANK

FT/ISMA INTERNATIONAL BOND SERVICE

U.S. DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
Abb Intl Fin 8¼ 08	200	104⅞	+¼	4.37
Abbey Natl Treasury 8½ 00	1500	104⅛	+⅛	5.52
African Dev Bk 7⅜ 23	500	108⅞	+¼	6.67
AlbertaProvince 9⅜ 96	750	111¼	+¼	4.63
AlbertaProvince 9⅜ 95	600	109⅞	+¼	3.24
American Express 0 00	450	65¾	+½	6.10
American General 9¾ 95	100	108⅛		4.43
American Intl 0 04	750	51½	+⅛	6.31
Amoco Canada 7¼ 02	250	110⅝	+⅛	5.71
Asfinag 7⅜ 02	200	110⅝	+⅛	5.74
Asian Dev Bank 0 04	1600	51⅜	+⅛	6.21
Asian Dev Bank 9 96	100	109½	+⅛	4.77
Australia 11 95	200	110⅝		4.29
Austria 7¾ 97	200	109⅞	+⅛	4.65
Austria 8½ 00	400	117	+⅛	5.25
Austria 9¼ 96	100	111¾	+⅛	4.55
Bank of Tokyo 8⅞ 96	100	109	+⅛	4.95
Banque Paribas 7⅞ 96	100	105⅞	+⅛	4.78
Barclays Jersey 10⅞ 95	250	111⅞	+⅛	4.78
BASF Fin Europe 7 99	300	107⅝	+⅛	5.42
BAT Capital 0 98	400	103	+⅛	5.22
Bayer USA 8⅛ 96	150	108⅝	+⅛	4.83
Belgium 9 97	600	110⅝	+⅛	4.65
Belgium 8¾ 98	400	114¾	+⅛	4.98
Belgium 9.20 10	500	128⅝	+⅛	6.51
Belgium 9⅝ 98	250	118⅝	+⅛	5.05
Bellsouth Telecom 5¼ 98	500	101⅞	+⅛	4.73
BFCE 7¾ 97	150	109⅛	+¼	4.64
BFCE 9¼ 95	150	119⅝	+⅛	4.17
BMW Leasing 7⅞ 96	200	107	+⅛	4.59
Boots 9 97	175	111½	+¼	5.12
BP America 9¾ 99	258	119⅛	+⅛	5.14
BPCA Finance 8⅞ 99	150	112⅛	+⅛	5.25
British Columbia 7¾ 02	500	112⅝	+⅛	5.52
British Gas 0 21	1500	13⅞	+⅛	7.29
British Telecom Fin 9⅜ 99	200	116⅛	+⅛	5.33
British Telecom Fin 8⅜ 95	250	118⅛	+⅛	5.13
Caisse Francaise 6¼ 05	333	103⅝	+1	5.80
Caisse Natl Energie 11¼ 95	125	110		3.87
Canada 9 96	1000	110⅛	+¼	4.26
Canada 10 95	500	111½	+¼	4.20
Canadian Pacific 7½ 96	198	105⅞	+⅛	5.61
Cariplo 9¼ 98	200	113	+⅛	5.54
CCCE 8¾ 99	200	117⅞	+⅛	6.24
CCCE 9¼ 95	300	107⅛		3.88
Centrust Savings 0 10	1200	18⅞	+⅛	10.73
Chubu Elec Power 8¼ 98	350	112⅞	+½	5.24
Chugoku Elec Power 7 97	250	108⅛	+⅛	4.97
Cia Naviera Perez 9 98	100	98	+⅛	9.97
Ciba-Geigy 6½ 97	200	105⅛	+¼	4.92
Coca-Cola Amatil 7⅞ 96	175	108⅞	+⅛	4.65
Ccmp Bancaire 7⅞ 97	500	108⅝	+½	5.03
Council Europe 8 98	100	109	+⅛	4.52
Credit Foncier 9¼ 95	200	109⅞		4.09
Credit Foncier 9½ 99	300	120⅛	+½	5.11
Credit Local 8⅞ 99	250	118	+⅛	5.31
Credit Lyonnais 9 98	300	111¾	+¼	4.59
Daimler-Benz NA 8 98	250	111⅛	+⅛	5.31
Denmark 0 96	250	78⅞	+⅛	5.19
Denmark 5½ 97	500	103⅞	+⅛	4.63
Denmark 5½ 98	1000	103½	+½	4.84
Denmark 8¼ 95	1571	107½	+½	3.81
Deutsche Bk Fin 9⅜ 99	200	118⅞	+⅛	5.43
DSL Bank 7½ 08	110	106⅛	+⅛	4.57
DSM 8½ 98	150	109	+⅛	4.86
Du Pont de Nemours 8½ 96	250	109⅞	+¼	4.47
ECSC 8¾ 96	193	110⅛	+⅛	4.71
EEC 8¼ 96	100	109	+⅛	4.61
EIB 7¾ 96	250	108¼	+⅛	4.48
EIB 9¼ 97	1000	116¼	+½	4.79
EIB 9½ 99	200	120⅞	+⅛	5.13
EIB 10 97	250	116⅛	+⅛	4.69
Eksportfinans 0 94	360	96½	+⅛	3.88
Eksportfinans 7⅞ 98	200	108⅞	+⅛	4.79
Eksportfinans 8¼ 95	200	105⅞	+⅛	3.91
Elec Corp N Zealand 8⅞ 96	200	111¼	+⅛	4.73
Elec de France 8 98	200	113½	+⅛	5.00
Elec de France 9½ 95	250	108⅞	+⅛	4.18
Energie Beheer 9⅜ 95	300	109⅛	+¼	4.20
Ericsson LM 7⅞ 96	150	108	+⅛	4.97
Euratom 7⅞ 98	247	109	+⅛	4.70
Euro Cred Card Tst 9 94	325	104⅞		4.02
Euro Cred Card Tst 8½ 95	845	109⅛	+¼	4.62
Eurofima 9¼ 96	100	111	+⅛	4.38
Ex-Im Bank Japan 9⅞ 00	400	107¾	+⅛	5.27
Ex-Im Bank Japan 8 02	500	115⅞	+⅛	5.69
Export Dev Corp 9⅜ 00	200	117¼	+⅛	5.38
Export Dev Corp 9½ 98	150	110	+⅛	5.13
Exxon Capital 0 04	1800	51	+¼	6.25
Farm Cred Corp 7¼ 98	100	107¼	+¼	4.59
Ferro del Stat 8⅞ 03	1000	123⅛	+1⅝	6.64
Finland 9¾ 97	3000	106⅝	+⅛	5.01
Finland 7⅞ 97	200	107⅞	+⅛	5.21
Finland 9 98	850	110⅞	+¼	4.53
Finnish Export 9⅛ 95	200	109⅛	+⅛	4.00
Ford Capital 9¾ 97	250	114⅛	+⅛	5.20
Ford Motor Credit 6¼ 98	1500	104	+⅛	5.28
Fuji Heavy 8¼ 99	300	115⅛	+⅛	5.74
GEFCO 7⅞ 97	150	108⅞	+⅛	4.73
Gen Elec Capital 9⅞ 96	200	111⅞	+⅛	4.53
Gen Elec Capital 9⅞ 94	200	106⅛		3.86
General Mills 0 13	1800	21½	+¼	6.06
GMAC 0¼ 96	300	101½	+½	5.78
GMAC 9⅛ 96	200	108⅛	+⅛	5.18
Guinness Finance 9 96	200	108⅞	+¼	4.40
Halifax 9⅞ 95	200	107⅞	+⅛	3.97
Hoechst Corp 8 00	600	101⅝	+⅝	5.70
Hoechst Invest 8¼ 97	100	109⅞	+⅛	5.08
Hokuriku 6⅞ 97	200	103⅛	+⅛	5.23
IBM Intl Fin 5⅞ 95	300	102	+⅛	4.47
Ind Bk Japan Fin 7⅞ 97	200	108⅞	+⅛	5.12
Inter Amer Dev 7⅞ 96	200	108⅞	+⅛	4.41
Inter Amer Dev 9⅞ 00	300	121⅞	+½	5.45
Intl Finance 8¼ 98	200	110⅞	+⅛	4.46
Intl Finance 9¼ 95	600	109⅛		4.00
Ireland 9½ 00	250	121⅛	+⅛	5.52
Italy 6⅞ 23	3500	99¼	+1	7.06
Italy 8½ 94	1500	104⅞		3.67
Italy 9⅞ 07	1500	113⅞	+⅛	4.93
Italy 9⅞ 98	2900	118⅛	+⅛	5.43
Japan Dev Bk 8⅞ 99	500	108⅞	+⅛	5.25
Japan Dev Bk 8⅞ 01	500	117⅛	+⅛	5.47
Japan Fin Corp 9⅞ 96	150	112⅞	+⅛	4.26
Japan Highway 5⅞ 00	200	103⅞	+½	5.19
Japan Highway 8⅞ 01	300	118⅞	+⅛	5.54
Kansai Elec Pwr 10 96	350	112½	+⅛	4.53
Kansai Intl Airport 9 96	100	112⅞	+¼	4.57
Kansallis-Osake 8½ 98	200	108	+⅛	4.00
Kobe 6⅞ 99	198	117⅞	+⅛	5.33
Liberty Mutual 8½ 98	200	108⅛	+⅛	5.23
Lincoln National 9⅞ 95	100	108		4.98
LKB Baden-Wuert 5⅞ 98	500	102⅛	+⅛	4.80
LTCB Fin 8 97	200	107⅞	+⅛	5.38
Manitoba 7½ 98	150	108½	+⅛	4.83
Marks Spencer 8¼ 98	150	109⅛	+⅛	4.47
Matsushita Elec 7¼ 02	1600	109⅛	+¼	5.84
Metlife Funding 7⅞ 96	150	107⅛	+⅛	4.85
Mitsubishi Estate 8⅞ 01	200	116⅞	+⅛	0.89
Nacional Fin 10 96	125	108	+⅛	6.52
Nestle 6¼ 97	200	104⅛	+⅛	4.84
New Zealand 8 97	150	109⅞	+¼	4.99
Nippon Cred Bk 10⅞ 95	150	109⅛		4.58
Nippon Tel Tel 9⅞ 95	200	107⅛	+¼	4.62
Nomura Intl 9⅞ 95	150	105⅞		4.67
Norinchukin Bank 8⅞ 97	200	110½	+¼	5.03
Norway 7 96	1000	107⅛	+½	4.52
Norway 7¼ 97	1000	108⅛	+⅛	4.68
Ontario 7⅞ 03	3000	109⅞	+⅛	6.08
Ontario 7¼ 03	2000	111⅛	+⅛	6.08
Ontario 8½ 01	600	118	+⅛	5.77
Osaka Gas 8⅞ 98	250	102⅞	+½	5.03
Oslo 7⅞ 97	150	109⅛	+⅛	4.84
Oster Kontrollbank 8½ 01	200	118⅛	+⅝	5.45
Oster Kontrollbank 8 95	200	108⅛		4.09
Petro-Canada 7¼ 96	200	108½	+¼	4.53
Philip Morris 9⅞ 98	200	103	+⅛	0.98
Portugal 5¼ 03	1600	100	+⅛	5.83
Procter Gamble 9½ 98	200	116⅛	+½	5.24
Prudential Fin 8¼ 01	300	114⅛	+⅛	5.90
Prudential Rlty Secs 0 99	385	75⅞	+¼	5.45
Qantas Airways 8⅞ 98	200	113	+¼	4.53
Quebec Hydro 9 01	300	118⅛	+⅛	5.90
Quebec Hydro 0¼ 98	150	118⅞	+½	5.38
Quebec Prov 0 98	200	113⅞	+½	5.43
Quebec Prov 8¼ 01	500	113⅞	+½	5.96
Queensland Govt 10¼ 95	100	110⅛	+¼	4.29
Ralston Purina 11⅛ 97	150	110⅛		4.83
Reed Publishing 9⅞ 97	108	115⅛	+½	5.06
Rolls Royce Capital 7⅞ 03	300	106⅛	+¼	8.38
Sainsbury 9⅞ 96	100	111⅞	+⅛	4.86
Sandoz o/s Fin 6¼ 00	200	108⅛	+⅛	5.22
SAS 10 99	200	115⅛	+¼	0.48
SAS 10¼ 95	150	109⅛	+¼	5.11
SBAB 0½ 95	500	108⅛	+⅛	4.10
SBC Finance 7¼ 08	200	106½	+¼	4.58
Sears Euro Trust 9¾ 96	750	109½	+¼	4.70
Sears o/s Fin Zero 0 98	500	76½	+⅛	5.82
Sears Roebuck Euro 9¾ 95	500	107⅛		4.25
Skandinaviska Ensk 7¼ 97	560	107¼	+½	5.18
SNCF 9½ 99	150	119⅞	+⅝	5.07
Spain 6½ 99	1500	106⅞	+½	5.21
State Bk NSW 8½ 96	200	109⅛	+¼	4.70
Sweden 6½ 95	2000	102⅛	+½	4.19
Sweden 6½ 03	2000	105¼	+⅝	5.85
Sweden 6¼ 98	350	116⅛	+½	4.98
Swedish Export 9⅞ 96	700	109	+¼	4.47
Thyssen Finance 7⅞ 99	250	107⅛	-½	5.96
Tohoku Elec Power 7¼ 97	250	109	+½	4.90
Tokyo Elec Asia 11½ 95	100	110¼		4.83
Tokyo Elec Power 6¼ 03	1000	102½	+¼	5.81
Tokyo Elec Power 8¼ 96	300	110⅛	+¼	4.62
Tokyo Gas 8⅞ 96	250	101⅛	+½	5.07
Tokyo Metropolis 8⅞ 96	200	110½	+¼	4.52
Toyota Motor 5⅞ 98	1500	102⅛	+½	4.98
Toyota Motor 6⅛ 97	1000	106¼	+⅝	4.62
UBS Fin 9⅞ 03	225	121½	+1⅛	5.77
Unilever Cap Corp 9⅞ 00	400	120⅛	+½	5.48
United Kingdom 7¼ 02	2000	111⅛	+⅝	5.66
Uruguay 8¾ 95	100	103¼		9.25
Venezuela 6¾ 95	150	104⅛	-⅛	8.05
Victorian Fin Auth 8⅞ 96	150	109⅝	+¼	4.91
Warner-Lambert 8⅞ 96	100	108	+¼	4.70
World Bank 8⅝ 01	1500	117⅛	+¼	5.37
World Bank 8⅞ 99	1500	116½	+¼	5.20
World Bank 8¼ 97	1500	113¼	+¼	4.55
Xerox Corp 8⅞ 99	100	103½	+¼	5.16
Yokohama 8 01	200	115½	+⅛	5.57

FLOATING RATE NOTES	Issued	Bid price	Chg on week	C.cpn
Alaska Housing 0.10 01	125	98.92		3.6000
Alliance Leics 0.10 95 £	150	99.85	+0.01	6.1075
American Express Bk ⅛ 99	200	96.70	+0.01	3.4375
Anglia ⅛ 98 £	100	99.99	+0.01	6.1875
ANZ Banking Perp 0.19	200	82.78	+0.14	3.4625
Austria -0.15 05 DM	700	98.41	+0.02	6.4125
Banco Roma 0 99	200	99.54	+0.04	3.1875
Bank New York ⅛ 97	200	99.88	+0.01	3.2500
Bank of Greece ⅛ 99	250	98.08	+0.05	3.8250
Bank of Montreal 0.05 98	250	98.06	+0.07	3.6125
BankAmerica ⅛ 95	500	100.18	+0.03	3.5625
Banque Indosuez ¼ 97	125	99.65	+0.01	3.6250
Bayer Vereinsbk -⅛ 02	350	102.11	+0.20	5.0000
BBL Intl 0.05 01	200	95.45	+0.23	3.4875
BCI 0.15 98	300	96.48	+0.22	3.5875
Belgium 0 94	200	99.90		3.1875
Belgium 0 96	400	99.91	-0.02	3.4375
Belgium 0 00 Ecu	300	98.68	-0.14	8.1562
Belgium ⅛ 97 DM	500	99.99	-0.04	6.4375
BFCE -0.02 98	350	99.86		3.2500
Bilbao Intl 0.04 01	150	98.50		3.5150
BNP ⅛ 96	400	101.66	-0.01	5.2500
Bradford Bingley ⅛ 96 £	100	99.67	+0.02	6.1250
Britannia 0.10 96 £	150	99.78	+0.01	6.1825
Cariplo ⅛ 99	150	98.63	-0.05	3.7500
CCCE 0 06 Ecu	200	98.79	-0.04	7.5469
Chase Manhattan ⅛ 09	400	99.37	+0.41	5.2500
Chase Manhattan ⅛ 00	250	99.70	+0.07	5.0000
Citicorp 0.20 98	500	99.68		5.0000
Citicorp Bkg ⅛ 08	400	100.01	+0.03	5.2500
Comm Bk Australia perp 0.15	300	99.58	+0.03	3.6500
Crediop 0 97 Lit	200000	101.75	+0.50	8.9000
Credit du Nord ⅛ 97	100	99.29		5.2500
Credit Lyonnais 0.30 98	1250	100.06	+0.02	3.9125
Credit Lyonnais ⅛ 98	250	100.13	+0.02	5.2500
Credit Lyonnais ⅛ 00	800	100.10	+0.01	5.0000
Creditanstalt -⅛ 03	250	101.15	+0.10	5.0000
Denmark -⅛ 96	1000	99.59	-0.02	3.1875
Dresdner Finance ⅛ 98 DM	1000	99.88	+0.01	9.9688
EIB +¼ 01 Ecu	400	100.21	+0.11	7.0625
EIB -¼ 02	500	102.87	+0.23	5.0000
Elec de France ⅛ 99	400	101.78	-0.08	5.2500
Ferro del Stat ⅛ 97	420	99.57		3.2875
Finland 0 97	1000	98.88	+0.04	3.5000
First Chicago ⅛ 96	125	99.15	+0.02	3.3750
Fleet Financial 0.10 96	100	98.12	-0.15	3.2875
Ford Motor Credit ¼ 96	400	99.45	-0.25	3.5000
Fuji Bank 0.35 00	700	97.87	+0.02	3.4375
Gracechurch Mort ½ 18 £	175	99.11	+0.03	6.2625
Halifax BS ⅛ 96 £	350	99.93	+0.01	6.0625
Halifax B 0.08 96 £	150	99.93	-0.01	5.8550
Hessische Landesbk 0 98	100	99.24	+0.01	3.3125
HK Shanghai perp ¼	400	88.12	-0.76	5.9000
ICO 0.05 97	450	99.98	-0.02	3.5500
Investors Ind ⅛ 94 £	125	98.94		9.1250
Ireland 0 98	200	99.69	+0.01	3.4400
Italy 8 0 05 Ecu	1000	95.28	+0.08	7.9375
Italy ¼ 98	2000	100.11	+0.02	3.4375
KB Ilfima 0.15 11	150	27.98		5.0000
Korea Dev Bank ⅛ 97	200	99.58	-0.01	3.5625
Leeds Permanent ⅛ 06 £	300	99.90	+0.02	6.0625
Lloyds Bank Perp S 0.10	600	82.66	-0.44	3.5375
Lufthansa Intl Fin 0 00 DM	1200	94.92	+0.14	7.6250
Malaysia ⅛ 08	650	100.59	+0.34	5.2500
Midland Intl Fin ⅛ 99	200	99.00	+0.03	5.0000
Mitsui Taiyo Asia 0.40 00	1200	98.31	+0.09	3.4875
Morgan JP 0.05 97	200	100.01		5.2500
Mort Fund A 0.70 35 £	100	99.93		8.2406
Nat Bk Canada ⅛ 98	200	99.03	+0.04	3.5625
Nat West Fin ⅛ 05	400	96.01	+0.06	3.3750
Nat West perp C ¼	500	83.71	-1.17	3.3750
Nationwide 0.08 98 £	300	99.75	+0.01	6.2050
Natl Provincial ⅛ 98 £	200	99.84	+0.03	6.1250
New Zealand ⅛ 00	250	100.01	+0.01	3.4380
Northern Rock ⅛ 00 £	100	99.98		6.1875
Oster Kontrollbk -0.15 00 DM	600	99.72	+0.01	7.0913
Quebec Hydro 0 02	200	98.75	+0.15	4.7500
Quebec Prov 0 01	300	98.32		3.1978
Renfe 0 08	500	99.37	+0.01	3.1250
Royal Bk Canada ⅛ 08	350	95.04	-0.22	3.2500
Skandinaviska Ensk 0 08 DM	400	99.13	-0.02	6.6250
Societe Generale 0 08	300	99.98		3.2812
Staatsbk Berlin 0.05 94 DM	4000	100.97	+0.02	7.6100
Staatsbank Berlin -0.05 08 DM	6000	99.87	+0.02	6.6963
Stars A ½ 29 £	475	99.99	+0.01	6.3500
State Bk Victoria 0.05 08	125	99.51	-0.01	3.5500
Sumitomo Bk Intl Fin ¼ 00	700	00.94	-0.09	3.5000
Swedbank ¼ 98	250	99.88	+0.03	3.5000
Sweden 0 98	1500	99.95		3.2500
Town Country 0.10 94 £	125	99.06	+0.01	6.0375
Union Bk Finland 0 00 DM	300	98.12	-0.01	6.5625
United Kingdom -⅛ 96	4000	98.67	-0.07	2.9375
Wells Fargo ⅛ 97	250	99.45	+0.03	5.2500
Woodside Fin 0 97	300	100.25	+0.01	5.2500
Woolwich Equitable ⅛ 00 £	150	99.83		6.1625
World Bank -⅛ 02 Ecu	450	97.41	+0.19	7.4375

CONVERTIBLE BONDS	Issued	Bid price	Chg on week	Prem
Browning-Ferris 6¾ 00	400	101⅞	+¼	
Chubb Capital 6 06	250	111⅝	-1⅛	+19.25
Eastman Kodak 6⅜ 01	600	113¼	-2⅛	-0.20
Gold Kalgoorlie 7½ 00	39	107⅝	-⅛	+86.07
Hanson 9½ 06 £	500	118⅝	+1½	+15.72
Hawley Pref 8 02	400	132¼	-¼	
Land Secs 6¾ 02 £	84	108	+1¼	+1.67
Lasmo 7¾ 05 £	00	94¼		
Mitsui Bank 2⅝ 03	200	102	+3	+18.73
Mount Isa Fin 6½ 97	100	101⅞	+⅛	+80.19
Natl Power 6¼ 08 £	250	109⅞	+2⅛	+17.47
Ogden 9 02	85	98⅞	+⅛	+51.11
Pioneer Concrete A 8½ 98 A$	175	104⅛	+⅛	+47.00
Rockefeller Center 0 00	952	41¼	+⅛	+34.28
Smith Nephew 4 02 £	90	132⅞		+65.18
Sumitomo Bank 3⅛ 04	300	84⅞		+25.79
Sun Alliance 7¼ 08 £	155	116¼	+3¼	+14.78
Tarmac Finance 9½ 00 £	108	106⅞		
Tesco Capital 9 06 £	200	120⅝	+1½	+43.15
Texas Instruments 2¾ 02	600	103⅛	-3¼	+25.53

DEUTSCHE MARK STRAIGHTS	Issued	Bid price	Chg on week	Yield
Austria 5⅞ 97	500	101⅛	+⅞	5.41
Belgium 7¾ 02	500	108¾	+½	6.36
Credit Foncier 7¼ 03	2000	106⅞	+⅞	6.32
Denmark 6⅛ 98	2000	101¼	+½	5.82
Deutsche Finance 7½ 06	1600	102⅞	+⅛	5.41
ECSC 8⅞ 98	700	108	+½	5.80
EEC 6½ 00	2900	102¼	+⅞	0.87
EIB 7½ 99	400	107⅝	+⅞	5.98
Finland 7½ 00	3000	108⅞	+½	6.24
Ireland 7¾ 02	500	108⅞	+⅞	6.42
Italy 7¼ 98	5000	104¾	+¼	5.86
Spain 7¼ 03	4000	106⅝	+⅞	0.29
Sweden 8 97	2500	107½	+¼	5.87
Tokyo Elec Power 7⅝ 02	1000	108⅛	+⅝	0.41
United Kingdom 7⅛ 97	6500	105¼	+¼	5.87
Volkswagen Intl Fin 7 03	1000	102	+⅝	6.70
World Bank 0 15	2900	27⅛	+⅞	6.05
World Bank 6⅛ 98	300	102¼	+⅛	4.74
World Bank 8¾ 00	1250	119¾	+2¼	5.11

SWISS FRANC STRAIGHTS	Issued	Bid price	Chg on week	Yield
Asian Dev Bank 6 10	100	114¼	+¼	4.76
Council Europe 4¾ 98	250	102½	+½	4.11
EIB 9¾ 04	300	114	+⅛	5.36
Elec de France 7¼ 08	100	116		5.42
Finland 7¼ 99	300	113½	+¼	4.62
General Motors 7½ 95	100	103¼	+¼	5.15
Hyundai Motor Fin 8½ 97	100	108½	-½	6.50
Iceland 7⅞ 00	100	115	+⅛	[illegible]
Kobe 6¼ 01	240	111¼	+½	[illegible]
New Zealand 4⅞ 99	200	101		[illegible]
Ontario 6¼ 03	400	109⅞	+¼	4.86
Quebec Hydro 5 08	100	99	+½	5.10
SNCF 7 04	400	119¼	+¼	4.82
World Bank 5 03	150	103		4.61
World Bank 7 01	600	115	+¼	4.55

YEN STRAIGHTS	Issued	Bid price	Chg on week	Yield
African Dev Bk 4⅞ 97	40000	105⅛	+⅜	3.39
Asian Dev Bank 5 03	50000	106½	+⅛	4.14
Austria 5 01	75000	106¼	+½	3.99
Belgium 5 99	75000	106¾	+½	3.93
Credit Local 7 96	30000	110	+⅛	3.09
Denmark 7 95	40000	105⅜		2.75
EIB 8⅝ 00	100000	114⅞	+⅝	3.96
EIB 6¾ 01	50000	116⅝	+⅜	4.15
Elec de France 5⅝ 96	20000	107	+⅛	3.17
Finland 6¼ 96	50000	109⅞	+½	3.15
Inter Amer Dev 7¼ 00	30000	119¾	+⅞	3.96
Japan Dev Bk 5 99	100000	107⅛	+½	3.65
Japan Dev Bk 6½ 01	120000	116	+½	4.10
KfW Intl Fin 6¼ 94	25000	104⅛	+⅛	2.76
Nippon Tel Tel 5⅞ 96	50000	108⅛	+⅛	2.97
Norway 5⅛ 95	50000	103¼		2.85
Ontario 8¼ 96	50000	108½	+⅛	3.25
Oster Kontrollbank 9½ 98	50000	112⅞	+⅜	3.66
Portugal 4⅞ 98	75000	105½	+¼	3.49
SNCF 6¼ 00	30000	115⅛	+⅜	4.02
Spain 5¼ 02	125000	109½	+¼	4.32
Sweden 5⅝ 95	20000	105	+⅛	2.97
Tokyo Elec Power 6 96	70000	103⅝	+¼	3.12
World Bank 6¾ 00	50000	115⅝	+⅝	3.95
World Bank 7¼ 95	45000	108¾	-⅛	2.73

LUXFR STRAIGHTS	Issued	Bid price	Chg on week	Yield
Arbed 7½ 95	600	99⅛		7.86
Genfinance Lux 9⅛ 99	1000	107¼		7.45
Ippa Finance 9⅞ 97	750	106½		7.97
World Bank 8 96	1000	101		7.53

GUILDER STRAIGHTS	Issued	Bid price	Chg on week	Yield
Bank Voor Ned Gem 7⅝ 02	1000	108⅝		0.35
EIB 8⅞ 01	300	116¾		[illegible]
Energie Beheer 8¾ 98	500	111		[illegible]

CANADIAN DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
AlbertaProvince 10⅞ 98	500	109¾	+1	8.02
Bell Canada 10⅝ 99	150	114⅞	+1½	7.36
British Columbia 10 96	500	109⅛	+1	8.14
EIB 10⅛ 98	130	113⅞	+1¼	8.59
Elec de France 8¾ 99	275	112½	+2	7.08
Gen Elec Capital 10 96	300	106½	+⅞	6.41
KfW Int Fin 10 01	400	114⅝	+1½	7.40
Nippon Tel Tel 10¼ 99	200	114⅝	+1⅞	7.22
Ontario 9 03	1500	103¼	+1⅞	7.56
Ontario Hydro 10⅞ 99	500	116⅛	+1⅝	7.19
Oster Kontrollbank 10¼ 99	150	114⅞	+1⅝	7.13
Quebec Prov 10½ 98	200	114⅛	+1⅝	7.11

ECU STRAIGHTS	Issued	Bid price	Chg on week	Yield
All Nippon Airways 9 95	130	101⅞		7.78
Belgium 9⅜ 96	1250	105⅝		6.53
BFCE 9 99	100	108½	+⅛	7.10
CNA 7⅜ 95	120	100½	-¼	6.99
CNA 8¾ 99	150	107	-½	7.21
Council Europe 9 01	1100	113⅞	+½	6.83
Credit Foncier 8⅜ 04	1000	109⅞	+⅞	7.07
Credit Local 9 95	100	103⅞	-⅛	6.82
Credit Lyonnais 9 96	125	104½	+⅛	7.01
Creditanstalt 8⅞ 94	68	101⅝		7.31
Denmark 9½ 02	1000	110¼	+⅜	6.86
EBRD 9⅞ 95	550	106¼	-⅛	6.82
ECSC 8 97	141	102	+⅛	7.27
EEC 8¼ 96	1120	109⅞		6.60
EIB 10 97	1125	110¼		[illegible]
Elec de France 8⅞ 99	200	108⅞	-⅛	6.72
Euratom 7⅞ 98	100	102	-¼	6.55
Eurofima 7⅞ 95	165	100⅞		6.93
Ex-Im Bank Japan 10⅝ 95	200	107⅛	+⅛	6.75
Ferro del Stat 10⅞ 98	500	111	+⅛	7.02
Finland 10¼ 95	250	106	-⅛	6.91
Italy 10¾ 00	1000	119½	+½	7.09
Japan Dev Bk 6⅝ 97	200	106⅝	+⅛	6.75
Japan Highway 9⅛ 98	150	104⅞	+⅛	7.28
KfW Intl Finance 8½ 97	400	105⅞		6.63
New Zealand 10⅝ 97	300	112¼		6.80
Nordic Inv Bank 9⅞ 98	600	106⅞	+¼	6.81
Norway 9 96	1000	108⅛		6.45
SNCF 9 99	175	109⅛	+⅛	6.97
Spain 9 96	1000	100⅝		6.57
Stockholm 8¼ 96	300	106½	-⅛	6.86
Sweden 7¼ 00	500	103⅞	+¼	6.54
Swedish Export 9¾ 94	600	102⅝		7.56
United Kingdom 9¼ 95	2000	101⅞	-⅛	6.75
United Kingdom 9⅛ 01	2750	113⅞	+⅛	8.67

AUSTRALIAN DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
AIDC 10 99	100	114⅛	+⅛	6.86
BP America 12¼ 08	100	112⅞	+⅛	6.29
Comm Bk Australia 13¾ 99	100	132½	+⅞	6.90
Eksportfinans 12⅞ 95	75	109¾	+¼	5.94
McDonalds Canada 15 95	100	114⅛	+⅛	5.92
NSW Treasury Zero 0 20	1600	14½	+⅝	7.38
R & I Bank 7¾ 03	125	103⅛	+⅛	7.28
Sth Aust Govt Fin 9 02	150	110⅛	+1	7.37
Unilever Australia 12 98	150	120	+⅝	6.96

STERLING STRAIGHTS	Issued	Bid price	Chg on week	Yield
Abbey Natl Treas 13¾ 95	100	109⅝	-⅛	5.87
Alliance Leics 11⅛ 97	100	114⅝	+⅛	6.77
Asfinag 12 98	100	112½		6.28
Asian Dev Bank 9½ 97	50	100⅝	+¼	6.57
British Gas 12¾ 95	300	108½		5.93
British Land 12½ 16	150	136⅝	+1½	6.96
CNT 10 97	70	110⅛	+¼	6.54
Daimler-Benz UK 10¾ 98	100	109⅝	+⅛	6.58
EIB 10 97	637	110¼	+⅛	6.45
Halifax 10⅞ 07	100	111⅛	+⅛	9.58
Hanson 10⅞ 97	500	111	+⅛	7.13
HSBC Holdings 11.69 02	153	121⅛	+⅛	6.90
Italy 10½ 14	400	124¼	+1⅞	8.04
Land Secs 9½ 97	200	105⅝	+1	8.19
Nationwide Anglia 13½ 00	125	127⅞	+⅛	8.25
Ontario 11⅞ 01	100	119⅞	+⅛	7.48
Powergen 8⅞ 03	200	108⅛	+⅛	7.48
Severn Trent 11½ 99	100	118⅝	+½	7.40
Tokyo Elec Power 11 01	150	121⅞	+½	7.25
World Bank 11¼ 95	196	107⅞	-⅛	5.91

NEW ZEALAND DOLLAR STRAIGHTS	Issued	Bid price	Chg on week	Yield
Abbey National 0 96	100	82⅞		6.70
TCNZ Fin 8¼ 02	75	114½	+½	6.97

FRENCH FRANC STRAIGHTS	Issued	Bid price	Chg on week	Yield
CEPME 10 98	2000	106¼		6.03
Elec de France 8¾ 22	3000	121⅝	+1	6.90
SNCF 9¼ 97	4000	110⅞		5.87

EQUITY WARRANTS	Expiry Date	Bid price	Chg on week	Prem
Asahi Glass	25/06/96	19½	+1⅛	16.29
Canon	24/05/95	12⅞	+⅞	10.61
Casio Computer	04/03/97	2⅞	+⅛	7.10
Daiwa Mining	18/03/97	13⅞	+1½	15.69
Hankyu Dept Stores	14/03/95	1	+1½	23.34
Kobe Steel	12/08/96	2⅞	-½	85.69
Mitsui Toatsu Chem	30/01/98	3¼		
Morinaga	13/06/95	12	+1	16.18
Nichimai Corp	11/06/98	28⅞	+¼	12.58
Nisshin Steel	18/04/98	3¼	+1¼	
Okura	30/01/98	15⅞	+4⅞	20.81
Royal Hotel	14/03/95		+⅞	97.00
SMK	25/07/95	3⅛	+¼	36.24
Takashimaya	02/07/96	8½	+¼	34.61
Toyo Sash	05/08/97	10½	+¼	59.25
Yamatake-Honeywell	12/02/97	29¾	-⅛	5.83

STRAIGHT BONDS: Yield to redemption of the bid-price. Amount issued is expressed in millions of currency units.
FLOATING RATE NOTES: US dollars unless indicated. Margin above six-month offered rate for US dollars. C.cpn=current coupon.
CONVERTIBLE BONDS: US Dollars unless indicated. Prem=percentage premium of the current effective price of buying shares via the bond over the most recent share price.
WARRANTS: Equity warrant prem=exercise premium over current share price. Bond warrant ex yld=exercise yield at current warrant price.

Closing prices on October 8.

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THE WEEK AHEAD

ECONOMICS

UK recovery back in the spotlight

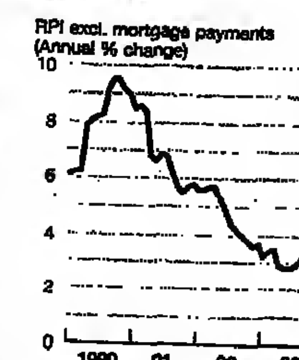
A RUSH OF figures from the UK this week may, if good, quell misgivings about the strength of the recovery, with data on inflation, output, unemployment and retail sales expected.

The retail price inflation figures will be awaited with particular apprehension following August's surprisingly sharp increase. Many analysts have promoted the view that inflation in the UK is "dead" and were shocked to see the headline rate leap from 1.4 per cent to 1.7 per cent. Underlying inflation – which excludes mortgage interest payments – rose from 2.9 per cent to 3.1 per cent.

Forecasts for manufacturing output are modestly upbeat, and analysts expect unemployment to remain where it is · 10.4 per cent of the workforce.

This is also a busy week for atatistics in the US. Economists will be looking to see whether figures for retail sales, initial claims, industrial production and trade figures confirm the gloomy picture of the economy highlighted in last week's non-farm payroll figures.

UK Inflation



Source: Datastream

Today: US, Columbus Day - Treasury market closed.
Japan, National holiday – markets closed. Yeltsin makes first official visit to Japan.
France, September CPI (up 0.2 per cent on month, up 2 per cent on year).
UK, September PPI input (down 0.2 per cent on month, up 6 per cent on year), output (up 0.2 per cent on month, up 4.4 per cent on year), excluding food, drink and tobacco (up 2.7 per cent on year).
Norway, September CPI (up 0.5 per cent on month, up 2.2 per cent on year).

Tomorrow: US, Federal governor Lindsey addresses Industrial Bankers Association in Washington. Johnson Redbook week ended October 9.
Japan, August machine orders (down 1.1 per cent on month, down 13.8 per cent on year).
Germany, publication date of German constitutional court decialon on Maastricht announced in Karlsberg. IG Metal Management Board meeting in Frankfurt to discuss 1994 pay claims.
UK, monthly monetary report. Panel of economic advisers – seven wise men – meet chancellor. Chancellor addresses annual banquet of Worshipful Company of Glovers.
Canada, August department store sales.
Sweden, Nobel prize for economics awarded.

Wednesday: US, Greenspan testifies before House Banking on Federal accountability. September Atlanta Fed Index.
UK, August manufacturing output (up 0.4 per cent on month, up 1.8 per cent on year), industrial production (up 0.4 per cent on month). September retail prices index (up 0.3 per cent on month, up 1.7 per cent on year), excluding mortgage interest paymants (up 3.1 per cent on year).
Spain, September CPI (up 0.5 per cent on month, up 4.3 per cent on year).

Thursday: US, September retail sales (up 0.5 per cent), excluding cars (up 0.6 per cent), producer prices index (up 0.2 per cent), excluding food and energy (up 0.2 per cent). Initial claims week ended October 9 (325,000). State benefits week ended October 2. Car and truck sales 1-10 October. Money supply data for week ended October 4. September money supply.
UK, September unemployment (no change). August average earnings (3.5 per cent), unit wage costs (down 1 per cent in latest three months).
Canada, September leading indicator (up 0.3 per cent on year). August wage settlement increases (up 1 per cent).
Sweden, September CPI (up 0.9 per cent on month, up 4.2 per cent on year).

Friday: US, September CPI (up 0.2 per cent), excluding food and energy (up 0.2 per cent). August merchandise trade ($10.5bn deficit), exports ($37.9bn), imports ($48bn). Industrial production (up 0.2 per cent), capacity utilisation (81.8 per cent). October preliminary Michigan sentiment. August business inventory (up 0.3 per cent). September real earnings.
Japan, September CPI (up 0.2 per ceot on month, down 3.5 per cent on year).
Canada, August merchandise exports (up 1.2 per cent on month), imports (up 0.7 per cent), merchandise trade surplus ($1.1bn).
Korea, North-South Korean talks.

During the week: Germany, September cost of living. August retail sales (down 2.2 per cent on year). September WPI (flat on month).
Spain, September unemployment rate (16.5 per cent), September M4.
Netherlands, May trade balance.
Denmark, September CPI (up 0.4 per cent on month, up 1.3 per cent on year). August unemployment rate (12.3 per cent).

Emma Tucker

RESULTS DUE

ANALYSTS ARE today expecting annual pre-tax profits of about £40m to £50m from Lucas Industries, the motor components and aerospace group, compared with £22.5m last time. This year's total will be enhanced by about £12m of disposal profits. Trading continues to be tough and some fear the dividend may be cut.

Interim results to the end of August from natural cosmetics and toiletries retailer Body Shop on Thursday are expected to show pre-tax profits of £9m to £9.3m, against £8.3m last time. The UK is still likely to be depressed compared with a relatively good first half last year.

The US contribution will be affected by currency translation, although stores in the region are expected to have traded well. Elsewhere sales growth is expected to have been sustained. A lower interest charge is also predicted.

Highland Distilleries is expected to report full year pre-tax profits today of about £39m, including £10m from the change to equity accounting of its 35 per cent stake in Robertson & Baxter, the whisky distiller. At the trading level, profits are likely to show a near 10 per cent increase to £24m with continuing benefits coming from Remy Cointreau's distribution of Highland's Famous Grouse whisky.

Tomorrow St Ives, the UK's largest independent printer, is expected to report full-year pre-tax profits of about £22m, slightly ahead of last year's £21.1m. The results will be the first since Mr Miles Emley took over as chairman from Mr Robert Gavron.

UK COMPANIES

■ TODAY
BOARD MEETINGS:
Finals:
Highland
Hong Kong Inv.
Lucas Inds.
Perstorp
Scottish Asian Inv. Co.
Tay Homes
Interims:
Aminex
Eurotunnel
Ryan Hotels

■ TOMORROW
COMPANY MEETINGS:
Fleming Overseas Inv. Tst., 25 Copthall Avenue, E.C., 12.00
Howard Hldgs., Kingston Lodge Hotel, Kingston Hill, Kingston Upon Thames, Surrey, 10.30
BOARD MEETINGS:
Finals:
Exmoor Dual Inv. Inv.
St. Ives
Sinclair (William) Hldgs.
Town Centre
Interims:
Boxmore Intl.
Clinton Cards
Derwent Valley Hldgs.
FR Grp.
Ross Grp.
Tie Rack

■ WEDNESDAY OCTOBER 13
COMPANY MEETINGS:
Macro 4, The City Cellars, The Brewery, Chiswell St., E.C. 12.00
BOARD MEETINGS:
Finals:
Attwoods
Goodhead
Interims:
Brown (N.)
Delyn Grp.
Denaltron Intl.
Seton Healthcare

■ THURSDAY OCTOBER 14
COMPANY MEETINGS:
Armitage Brothers, Armitage House, Colwick, Nottingham, 11.00
Bredero Properties, 23 Great Winchester Street, E.C. 12.00
Jones, Stroud Hldgs., The Donington Thistle Hotel, East Midlands Airport, Castle Donington, Derby, 12.00
BOARD MEETINGS:
Finals:
Maunders (John)
Wetherspoon (J.D.)
Interims:
BNB Resources
Barlows
Body Shop
Chepstow Racecourse
El Oro Mining
Exploration Co.
Hunting
Jackson Grp.
Quadrant
Sindall (William)
Tudor

■ FRIDAY OCTOBER 15
COMPANY MEETINGS:
Brasway, All Saints Church Hall, Darleston, West Midlands, 11.30
CRP Leisure, 16 Lincoln's Inn Fields, W.C. 12.00
N.M.C. Grp., Honourable Artillery Co., City Road, E.C. 4.00
Stanelco, Oliver House, 27 East Barnet Road, New Barnet, Herts., 10.30
BOARD MEETINGS:
Interims:
Baring Stratton Inv. Tst.
Brooks Service
Craig & Rose
Farnell Electronics
Fleming Inc. & Cap. Inv. Tst.
Jakata Fund (Cayman)

Company meetings are annual general meetings unless otherwise stated.
Please note: Reports and accounts are not normally available until approximately six weeks after the board meeting to approve the preliminary results.

DIVIDEND & INTEREST PAYMENTS

■ TODAY
Abbey National 4.15p
Admiral 2p
Banco Bilbao Vizcaya Pts38
Barclays 8.5p
Border Television 2p
City Centre Restaurants 0.45p
Collateralised Mortgage Securities (No.11) Class B Mtg. Backed Fltg. Rate Nts. 2028 £196.92
European Bank for Reconstruction & Development 8.875% 1996 Ecu887.50
European Motor 2p
Gardiner 0.23p
Islington Corp. 12.65% Rd. 2007 £6.325
Manitoba (Province of) 12½% Dbs. 1994 $625
Marling Inds. 0.65p
Nationwide Bldg. Society Varied Coupon Nts. 1995 £83,371.58
OKI Electric Industry Co. 7.25% 1998 Y725,000
Rathbone Bros. 2p
Scottish Power ADR $1.404
Tomkins 4.545p
United Kingdom 10% Cnv. 2002 £5
Warnford Investments 4.75p

■ TOMORROW
Ireland (Rep. of) 12½% 2008 £312.50
Kobe Steel Fltg. Rate Nts. 1996 Y91,041
Macfarlane (Clansman) 1.44p
Morris (Philip) $0.85
News Corp. A$0.15
News International Special Dividend 0.688p
RJB Mining 5p
Scottish Eastern Inv. Tst. 0.52p

■ WEDNESDAY OCTOBER 13
Automated Security (Hldgs.) 3.05p
Bradford & Bingley Bldg. Society Fltg. Rate Nts. 1997 £153.25
Do. Fltg. Rate Nts. 1998 £154.38
Britannia Bldg. Society Fltg. Rate Nts. 1993 £154.38
British Columbia Hydro & Power Authority 11¾% 1993 $117.50
Central American Bank for Economic Integration Fltg. Rate Serial Nts. 1994 $28.47
Commercial Union 15.1p
Hewlett-Packard $0.25
Hong Kong & Shanghai Banking Corp. Primary Cap. Undated Fltg. Rate Nts. $43.92
Marine Midland Finance Gtd. Fltg. Rate Sub. 1994 $13.42
National Australia Bank Undated Sub. Fltg. Rate Nts. $179.19
Southern Electric 14p
Telegraph (The) 5.5p
Unitas Var. Rate Sub. Nts. 2000 $97.43
United Kingdom 8% Treas. Ln. 2008 £4.50
Wace 1p

■ THURSDAY OCTOBER 14
Australia (Commonwealth of) 9½% 2012 £237.50
B.A.T. Inds. 7.9p
Bletchley Motor 4.75p
Bournemouth Water 29p
CMI Managed Portfolio Inv. Co. Growth Portfolio 0.90355p
Do. Safeguard Portfolio 2.43214p
Eurotherm 3.5p
Jones, Stroud (Hldgs.) 5.5p
Lloyds Bank 6.6p
Mallett 0.5p
Slough Estates 3.1p
Spear (J.W.) & Sons 3p
Trans World Communications 0.3p
West Hampshire Water 18p
Do. Non Vtg 16p

■ FRIDAY OCTOBER 15
Abbott Laboratories $0.17
Aegon 7¼% 1995 Ecu72.50
Alexander & Alexander Services 11% Cv. Sub. Dbs. 2007 $5.50
American Brands 12½% Un. Ln. 2009 £6.25
American Tst. 1.8p
Anglo American Industrial Corp. R1.10
Armitage Brothers 3.6p
BCE C$0.66
Bradford & Bingley Bldg. Society Fltg. Rate Nts. 1999 £152.81
British Assets Trust 4½% Pf. 1.575p
Do. 5% "A" Pf. 1.75p
Canadian Pacific Retracable Dbs. 1990/99 $125
Chrysler Corp. $0.15
Cleveland Place 6% Rd. Pf. 1989/94 £3
Courts (Furnishers) 3.67p
Cowie (T.) 2.35p
Eldridge, Pope & Co. 8¼% Irred. Un. Ln. £3.125
Do. 7½% Irred. Un. Ln. £3.75
Ellis & Everard 4.8p
Evans Halshaw 3.8p
Finland (Rep. of) 11½% Ln. 2009 £287.50
Genbel Investments R0.21
Goode Durrant 3.5% Cm. Pf. 0.875p
Govett Strategic Inv. Tst. 9⅞% Db. 2017 £4.9375
Halifax Bldg. Society Fltg. Rate Nts. 1995 £152.81
Kawasaki Heavy Inds. 6% Nts. 1997 Y600,000
Do. 8.15% Nts. 1999 Y615,000
Manders 5% Cm. Pf. 1.75p
Merton (Borough of) 11¼% Rd. 2017 £5.625
Metropolitan Water Board Southwark & Vauxhall Water Co. 3% Db. £1.50
Middle Witwatersrand R0.056
Morgan (J.P. & Co.) $0.60
Motorola $0.11
National Westminster Bank 6.4p
Occidental Petroleum $0.25
OIS Intl. Inspection 0.7p
Pacific Gas & Electric $0.47
Quaker Oats $0.53
Richardsons Westgarth 1.3p
Richards 4% Cm. Pf. 1.4p
Do. 5½% Cm. Pf. 1.44375p
Rosebys 1.4p
Royal Tst. Gov. Secs. Fd. Income Ptg. Rd. Pf. 1.1p
Saker's Finance & Investment R0.05
Sindall (William) 5.625% Cv. Cm. Rd. Pf. 2.8125p
Smithkline Beecham "A" 2.533p
Smithkline Beecham/Smithkline Beckman Equity Units $0.04756
Do. ADR $0.2378
3i Intl. 10¾% Gtd. Bds. 1993 £537.50
TI Grp. 3.85p
US Smaller Co's Inv. Tst. 0.3p
Wereldhave Property Corp. 9.5% 1st Mtg. Db. 2015 £4.75
Do. 10.75% 1st Mtg. Db. 2015 £5.375

■ SATURDAY OCTOBER 16
Swansea (City of) 13¾% Rd. 2006 £6.875
United Kingdom 2½% Index-Linked Treas. 2020 £2.0912

CONFERENCES & EXHIBITIONS

OCTOBER 13
Pension Funds - 'The Current Challenge'
Remember Maxwell? Should the Finance Director and Treasurer take a more active management role? This conference will discuss guidelines set out by the Goode Committee and provide a valuable source of information on current thinking.
Contact: Charlotte Lambert, Association of Corporate Treasurers
Tel: 071 353 2443
LONDON

OCTOBER 13
Tony Robbins Live In Britain
Anthony Robbins is the world's most successful personal development trainer, & is in the UK for the 1st time in 2 weeks. Tony's No. 1 trainer is in London giving an introductory seminar on Tony's work on Oct 13th. Full info pack on Tony's work, and details of the introductory seminar. Nick William, Personal & Professional Development, Auth. RRI Agents Tel: 071-736 4911
Fax: 071-384 1576
LONDON

OCTOBER 14
City of London Derivatives Conference
To be opened by Dr Henry Kaufman this Cityforum conference covers the markets, their regulation, maximising their benefits and controlling the risks. Central Banking and The Centre for the Study of Financial Innovation, Swiss Bank Corp, Arthur Andersen and Freshfields sponsor.
Information: Marc Lee, Cityforum Ltd
Tel: 0225-466744 Fax: 0225-442903
LONDON

OCTOBER 14-15
Rail: On Track for Profit
1993 marks the beginning of the end for state controlled rail monopolies in Europe. The conference will discuss the future of the rail industry, Government directives and profit potential for investors. Key speakers: James Knapp, Gen Sec NURMTW; Roger Freeman MP, Min of Transport. For further details contact: Paula Blay Tel: 071 779 8793.
Fax: 071 779 8795
LONDON

OCTOBER 15
IT Skills in the 90s
At present, even the best-equipped organisations are struggling to realise the full benefits of IT because employees at all levels are not equipped with the skills they need to do so. This seminar introduces the IT Skills Forum.
Contact: Amanda Crouch/Fiona Skinner
Tel: 081-577 1010
LONDON

OCTOBER 18
MBA - Business School Reception
The Association of MBAs will host its annual Business School Reception for intending students. Forty leading schools from continental Europe, USA and the UK. Free of charge. To register to attend and for further details contact the event sponsor, NatWest Bank on:
Tel: Freephone 0800 282 700
LONDON

OCTOBER 18 & 19
International Packaging and the Environment
This conference will look at legislation and the opportunities and problems facing the packaging industry and its customers. Co-operation in the packaging chain, recycling or incineration, and opportunities for new uses of resources will be examined.
Enquiries: Financial Times
Tel: 071 814 9770
Fax: 071 873 3975/3969
LONDON

OCTOBER 20
Personal Care Workshop
Presented by Colin Hession/*European Cosmetic Markets*, this workshop gives managers an overview of the global personal care market, with emphasis on strategic issues facing manufacturers in the European personal care markets, including key players, private label brands and future developments. Contact Nina Stimson, Tel: (0702) 433422
LONDON

OCTOBER 20
The US Electricity Industry & Global Competition:
Investment Opportunities and Regulatory Prospects. CRI conference examines the regulatory changes in the US electricity industry, and reviews the trend of diversification of the UK utilities and the stockmarket's reaction. Contact: Leigh Sykes, CRI Tel: 071 895 8823
LONDON

OCTOBER 20
Financing your Company's Growth
An essential one-day conference, in association with TSB Commercial Finance, which will brief directors on how to analyse their company's current financial structure and look at alternative sources of funding.
Enquiries: Director Conferences
071 730 0022
LONDON

OCTOBER 20-21
Know Your Competitors
Competitor Intelligence & Analysis inc. Benchmarking.
A practical two day seminar/workshop from the UK's No.1 specialists. Practical case exercises, successful case studies. Guest speaker who is head of a major company's intelligence unit.
Contact: Patricia Donnard
EMP Intelligence Service
Tel: 071-487-5665 Fax: 071-935-1640
LONDON

OCTOBER 20-21
Business Re-engineering
Business Re-engineering focuses on innovative ways of re-evaluating and re-designing major business processes, including the IS/IT components. This two day seminar will provide you with a thorough understanding of the use of BRE to achieve dramatic improvements in productivity, speed, quality, cost and service.
Contact: Peter Barnes, The Infomatics Resource Centre Tel: 081 871 2546
LONDON

OCTOBER 22
Computer Supported Telephony - What does it mean to your business?
Today, technology is dramatically changing the way companies do business. These free seminars, conducted by experts in their field, explain the benefits this technology can bestow including improving cash flow, enhanced customer service and many more.
Digital Telephone Systems Limited
Tel: 0753 792020
LONDON

OCTOBER 25
Downsizing IT: The Management Challenge
A one-day management conference presenting a balanced view of the major factors to be taken into account when seriously considering, planning or implementing a downsizing strategy.
Contact: Business Intelligence
Tel: 081-544 1830 Fax: 081-544 9020
LONDON

OCTOBER 25-29
Total Productive Maintenance WEEK
Included in the week are a choice of half and one-day workshops, a major international conference featuring TPM Experts from the UK, Europe, USA and Japan and two days of plant visits to see TPM in development and action. Delegates may choose any combination of activities.
Contact: Carolyn Barnett, at Status Meetings on Tel: 0730 266544
STRATFORD UPON AVON

OCTOBER 26-28
Public Sector Purchasing Conference & Exhibition
Major event for public sector buyers in central government, health, education and local authorities. Wide spectrum of products and services. European companies new to the market. Electronic purchasing displays. Full conference programme.
Enquiries: Keith Abrey
Tel: 071-587 1551 Fax: 071-587 1810
LONDON

OCTOBER 27 & 28
1st National Transport Conference
Unique opportunity for senior business people and all concerned about transport to influence creation of longterm transport strategy and join Parliament linked multi-interest forum. Serious analysis of alternative fuel sources, special funding and environmental issues.
Booking: Millstream
Tel: 0730 825711 Fax: 0730 825763
LONDON

OCTOBER 28
CBI Annual Pensions Conference
Professor Roy Goode, William Hague MP and leading experts consider future Government strategy, equalisation of state pension ages, flexible pension policies etc. Sponsored by R Watson & Sons Consulting Actuaries.
Contact: Georgina Kingsby, CBI Conferences
Tel: 071 379 7400 Fax: 071 497 3646
LONDON

OCTOBER 28
Versatile Manufacturing
For manufacturing companies: a seminar to demonstrate a process, proven in practice by major int'l manufacturing organisations, applied to achieve their maximum from versatile manufacturing businesses that will establish world beating competitive advantage. Based on over 9,700 case studies.
Contact: AMTEK Management Consultants
Tel: 0572 813579 Fax: 0572 813557
MANCHESTER

OCTOBER 28
Workshop on the EC Services Rules:
The Practical Implications for Govt, Utilities and Industry. An guide to the implementation and application of the rules, also with ref to legal aspects. Contact: Amanda Daglish, The Contracts and Procurement Research Unit, The University of Birmingham, Edgbaston, Birmingham B15 2TT.
Tel: 021 414 3221 Fax: 021 414 3217
BIRMINGHAM

OCTOBER 28
Economic Prospects and Policy
The IEA's 5th Annual State of the Economy Conference. Examines UK, US and Euro economic prospects, incl pre-Budget analysis. Speakers incl Sir Alan Walters, Bill Martin, Dr Andrew Sentance, Tim Congdon, Patrick Minford and Andrew Britton. Contact: Melanie Jones, Conference Profile
Tel: 071 236 4938 Fax: 071 236 1889
LONDON

OCTOBER 28 & 29
Fund Management - The Issue and Opportunities
Win Bischoff, Haruko Fukuda, James Schlesinger, Alastair Ross Goobey and Stanislas Yassukovich are among the distinguished speakers at this topical conference on a vital industry. Extel Financial and Cityforum sponsor with Sun Microsystems and The City Research Project support. Contact: Cityforum Ltd
Tel: 0225 466744 Fax: 0225 442903
LONDON

OCTOBER 29
What is the Future for Construction?
National conference looking at the strategic directions for the industry as it emerges from recession. Speakers include Rt Hon Sir Norman Fowler, Bill Jordan, Jamie Stephenson, Tom Anderson, Roger Johnson, Gavin Waters, Neil Ferguson, Barry K Holmes. Birmingham Botanical Gardens. Information: Elaine Taylor
Tel: 021-331 5112 Fax: 021-356 9915
BIRMINGHAM

NOVEMBER 1 & 2
Restructuring and Refinancing - Emerging from the Recession
Businesses which have survived the recession must now consider both their short and long term strategies. This workshop will equip you with the skills and information necessary to gain a competitive advantage in the post recession market. For further details contact: Acquisitions Monthly
Tel: 071 823 8740 Fax: 071 581 4331
LONDON

NOVEMBER 1-5
12th International Retail Banking Conference
"New Frontiers in Consumer Financial Services". Three distinct forums: Debit Card Forum/Retail Banking Strategy Forum/Investment Funds Forum. Key speakers from: MasterCard, Visa, Europay, Credit Suisse, VSB Group, Wells Fargo Bank, Robeco Group, AITC, Central Hispano and many more. Contact: Alison Keir, Lafferty Conferences Tel: 071 782 0590; Fax: 071 782 0595
LONDON

NOVEMBER 3
Base & Precious Metals Options Course
Intensive one-day course covering various aspects of the Base & Precious Metals Options Markets: Trading Strategies, Backwardations, Pricing Models, Hedging, Volatility Exposure & Time Decay. Venue: Cambridge Science Park, £345 (1 day only).
Contact: Kathy Page, Brady Financial Seminars Tel: (0223) 423250.
LONDON

NOVEMBER 3
European Home Shopping - Dawn of a Retail Revolution
In-depth, one day seminar. Topics: overview of Europe's electronic retail landscape; regulating the sale of merchandise in the home; how best to access the consumer; what's in store for the electronic retail industry. Contact: Patricia Baynton, Kagan World Media Ltd
Tel: (071) 371 8880 Fax: (071) 371 8715
LONDON

NOVEMBER 4
The Interactive Multimedia Future
Analyzing the swirling vortex of the developing technologies of interactivity and multimedia. Topics: setting the standards for IM development; products availability and cost; creating demand for interactive programming; finding the capital to fund the future.
Contact: Patricia Baynton, Kagan World Media Limited
Tel: (071) 371 8880 Fax: (071) 371 8715
LONDON

NOVEMBER 8
Successful Outsourcing: The Challenge for I.T.
This one-day conference is specifically designed to help senior I.T. and business managers assess the potential value of outsourcing to their organisations and to identify the factors that contribute to the successful selection and management of such arrangements.
Contact: Business Intelligence
Tel: 081-544 1830 Fax: 081-544 9020
LONDON

NOVEMBER 4 & 5
The Future of ECO-Auditing and ECO-Labelling in Europe
An opportunity to gain insight into emerging environmental measures and to debate these with the European Commission, the European Institutions, and thirty other high-level panellists.
The Club de Bruxelles
Tel: +32.2.771.9890 Fax: +32.2.770.6671
BRUSSELS

NOVEMBER 9-10
The M&A Negotiator
Aimed at those with general M&A experience, this course will "lever up" the power of the participants' knowledge by adding enhanced skills in planning and conducting M&A negotiations. There will be special emphasis on teamwork.
Contact: Acquisitions Monthly
Tel: 071 823 8740 Fax: 071 581 4331
LONDON

NOVEMBER 10
Introduction to Average Rate Options Course
Intensive one-day course covering various aspects of Average Rate Options. Market applications, Hedging applications, Valuation Methods, Delta & Gamma Hedging. Venue: Cambridge Science Park, CAMBRIDGE. £345. Contact: Kathy Page, Brady Financial Seminars.
Tel: (0223) 423250
CAMBRIDGE

NOVEMBER 10
Hong Kong Works
A Hong Kong Government/Institute of Directors Conference focusing on the increasing strategic importance of Hong Kong as the international business centre in East Asia. Speakers include the Prime Minister and Governor of Hong Kong.
Enquiries: Director Conferences
071-730 0022
LONDON

NOVEMBER 15
Consultants: How to Choose Them, Use Them and Not Lose Them
Waldorf Hotel, London.
A course to help you choose the most appropriate consultants for your needs and then get the best value out of them.
Contact: Evanna Morris, CIMA Mastercourses
Tel: 071 917 9244 Fax: 071 580 6991
LONDON

NOVEMBER 15-16
Understanding Data Communications
A seminar in which Joe Houde will take you from the fundamentals of Data Communications to the most advanced techniques implemented today...in just 2 days! Rated by a past delegate as "the most comprehensive and thorough course on communications there is."
Contact: Peter Barnes The Infomatics Resource Centre Tel: 081 871 2546
LONDON

NOVEMBER 16
Building for Recovery
A strategy for the 1990s
This conference is designed to give practical guidance to construction firms now building a strategy for recovery from one of the industry's worst recessions.
Contact: Andrew Bedford, Building Employers Confederation
Tel: 071 580 5588 Fax: 071 631 3872
LONDON

NOVEMBER 16
I.T. Opportunities in Government Market Testing
I.T. purchasers and I.T. suppliers will see how to get their share of the £750 million worth of new business opportunities resulting from government departments being opened up to private sector competition.
Contact: Westminster and City Programmes, Jane White.
Tel: 071 582 6516. Fax: 071 582 7245
LONDON

NOVEMBER 16-17
BPR 93: The 1st annual conference and exhibition on Business Process Re-engineering
Conference outlining the opps presented by taking a process view of your business. Senior reps from leading companies in the US & UK outline how business re-engineering has enabled them to achieve major improvements in corporate performance. Contact: Business Intelligence Tel: 081-544 1830
Fax: 081-544 9020
LONDON

NOVEMBER 18
Achieving Superior Corporate Performance with I.T:
An Exclusive Seminar with Paul A Strassmann. A day with one of the world's most sought-after experts on I.T. investment and strategy. You will discover how to formulate, structure and gain acceptance for policies which contribute to the achievement of corporate objectives.
Contact: Business Intelligence Tel: 081-544 1830 Fax: 081-544 9020
LONDON

NOVEMBER 18-19
Construction Clients and Contractors in a Changing World
Privatisation -ANIMP, Bechtel, National Power, Italgas. Developments in Central and Eastern Europe - Brown & Root, RIIA, Agip, British Gas, ABB Lummus, Bovis. Europe's Competitive Position - European Commission, Masons, Northcroft, Shell Internationale Petroleum, WS Atkins. Contact: European Construction Institute
Tel: +44(0) 509 222620 Fax: +44(0) 509 260118
LONDON

NOVEMBER 23
Europe In Focus: Planning for Business Success in an Unsettled Continent
A Henley Centre Conference
This conference is designed to help companies address central organisational and marketing issues in a troubled, post-Maastricht Europe. A Henley Centre guide to strategy-optimisation.
Tel: 071 353 9961 (Siomack Salari)
LONDON

NOVEMBER 25 & 29
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MANCHESTER & LONDON

NOVEMBER 26
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Examining how to manage energy risk exposure in the new franchise markets. Reviews purchasing options, energy hedging, negotiating contracts, taxation. Speakers from: East Midlands Electricity, British Sugar, GNI, Mitsubishi Finance, Gaffney Cline, BP Energy, Arthur Andersen, SWEB.
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NOVEMBER 29-30
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If your company is involved in int'l construction projects or is about to tender for one, attending this conference will guide you through the pitfalls and show you how to maximise the opportunities available. Contact: Kate Metcalf, IBC Legal Studies & Services Ltd, 071 637 4383
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LONDON

NOVEMBER 30
Service Level Agreements - Business Issues in Information Technology
This half-day seminar is targeted at Directors responsible for the strategic structure of the IT function. Key issues to be addressed: technical, business and personnel. Contact: Sarah Aiconan, McGregor Boyall Associates.
Tel: 071 734 4010
LONDON

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Business In Britain Exhibition & Conference
A 200 stand exhibition and 75 seminar conference. A one-stop shop aimed at business managers of companies with up to £25 million turnover. Provides a forum for business advisers and managers planning for and seeking expansion. Opens on Budget Day. 10,000 visitors are expected.
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Few organisations exploit EDI to its full potential - yet those which do find successful implementation of EDI brings competitive advantage. Building on the experience of these organisations, this seminar presents a practical guide to EDI exploitation and points to best practices leading to success. Contact Unicom.
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DECEMBER 14-15
Personal Information Management:
The Professional and Organisational Dimensions
Enabling and User Technologies: Using PIM Tools such as Personal Digital Assistants. The corporate context of PIM is presented alongside case studies of commercially available and near-to-market software. Prestige seminar & exhibition hosted by US Embassy, London.
Contact Unicom.
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LONDON

INTERNATIONAL

NOVEMBER
International Tax Conferences
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Contact: Michelle Beard
ERNST & YOUNG Tel: 071 931 2297
NEW YORK, PARIS

NOVEMBER 8-10
After the Recession - World Commercial Aviation at the Crossroads
The conference will focus on the great changes that are taking place in the world airline and aerospace industry. The impact of globalisation and multilateralism will be assessed as well as the manufacturers' role in meeting future aircraft demand.
Enquiries: Financial Times
Tel: 071-814 9770 Fax: 071 873 3975/3969
DUBAI

NOVEMBER 9-11
Energy Services: New Prospects Conference & Exhibition
Prime opportunity to meet Czech partners and customers in growing energy-efficiency industry - gathering of industry experts, energy producers, financial institutions and government. Conference focuses on technical, economic, and financial aspects of launching energy-efficiency projects.
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PRAGUE

NOVEMBER 17
Global Marketing/Corporate Strategies in OTC
Chaired by Nicholas Hall, publisher, *OTC NewsUpdate U·S·A*. This seminar is for managers needing to understand current and future developments in the world OTC market. It reviews global marketing strategies and competitive activities of leading players. Contact: Nina Stimson, Tel: (+44) 702 433422.
NEW YORK/LONDON

NOVEMBER 29-30
"Sub-Saharan Oil & Minerals"
Ministerial level speakers and delegations from most sub-Saharan countries. A major investment conference co-hosted by Europe Energy Environment, Gabonese Ministry of Mines & Energy, Nigerian National Petroleum Corporation, Sonangol & SA Chamber of Mines.
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CAPE TOWN

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WORLD STOCK MARKETS

CANADA

TORONTO

4 pm close October 8

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chg
1214	Abitibi Pr	$11⅛	11	11⅛	-⅛
188240	AgnicoEa	616	17½	18	
164100	Air Cda	485	455	460	+5
247454	Alberta En	$22⅞	22⅝	22⅝	-⅛
1300	AlbNtGas	$15⅝	15½	15½	
217164	Alcan Al	$25⅛	25⅛	25¼	-¼
393102	Am Barr	$32	31⅞	32	-⅝
3230	Atco Cl 1	s$15	15	15	-⅛
313070	Bk Montr'l	$26½	25⅞	26½	
528576	Bk Nova Sc	$28⅝	28	28⅛	+⅛
33400	BC Sugar A	$8⅝	8½	8¼	-¼
29761	BC Tele	$21½	21⅜	21½	+⅛
128832	BCE Inc	$44	43½	43¾	+⅛
335	BCE Mobil	$38¼	38¼	38¼	-¼
13650	Belmoral	15½	15	15½	
5400	BGR A	813	12⅞	13	+½
500	BioChemPh	813¼	13¼	13¼	-⅜
135810	Bomb'dier B	$16	15¾	15⅞	+⅛
120806	Bow Valley	$16⅛	16	18	
2052800	Brascan	27½	26	27	
26625	Brascan A	$13½	12¾	12¾	-⅜
618000	Breakwater	11	610½	11	
4600	Brancor x	$21⅜	21⅜	21⅜	+⅛
3100	Brunswick	57⅞	7⅞	7⅞	-⅛
117075	CAE Ind	u$6½	6¼	6⅜	
104050	Cambor	616½	16	16½	+⅛
20438	Cambridge x	515⅛	15	15	-⅛
11480	Cameco x	$23¼	23⅛	23⅛	+⅛
100600	C'bell Res	90	85	90	
114446	CanImpBk	$31¼	30⅞	30⅞	+⅛
22913	Can Occid	$32	31⅝	32	+⅛
671451	Can Pac	$21¼	20⅞	21	
100	Can Tire	$17½	17½	17½	
60570	CanTire A	$16⅜	16¼	16¼	
34770	Can Util A	$24⅜	24¼	24⅛	-⅜
1000	Can Util 6	$24½	24⅜	24½	
96895	CanTngstn	115	110	110	
1112	CanGenInv	$31⅛	30¾	30¾	+⅛
56943	Cantor	$34⅛	34	34	
6750	CnPcForest	$18¼	18	18	-¼
2500	Cara Op	480	480	480	+5
215	Celanese	$35⅞	35¼	35¼	-⅛
206	CntCptal	20	20	20	
171106	Cineplex Odeon	420	400	410	+10
2700	Cntrl Fd A	6¼	6¼	6¼	+⅛
23651	Cominco	$14¾	14⅜	14¾	+¼
9250	Copublog	305	300	300	
180627	Corel Sys	u$49½	44⅝	44⅝	-½
16000	CoscanDev	u210	200	205	
263393	CrownX A	$5⅛	5	5	-⅛
86900	Denison A	16	616	16½	
6900	Derlan	480	475	475	
197100	Dofasco	$18⅛	19¼	16⅜	
6950	Domtnr Ind	$11⅞	11¼	11¼	+⅛
263184	Domtar Inc	5⅝	6½	6⅛	+⅛
200	Du Pont A	$45	45	45	
3786	DundeeBcA	$7½	7¼	7⅛	-⅛
114650	Echo Bay M	$15	14⅝	15	+⅜
5800	Emco Ltd	$8⅝	8½	8⅝	
1468	Empire x	u$14¾	14½	14½	-05
3215	Euro Nev	$30¼	30¼	30½	-½
900	FPI Ltd	325	315	325	+10
5000	FahrstKWr	$10	9¾	10	+½
62604	Fed IndsA	$7	6⅞	7	+⅛
88481	Finning	u$18⅞	18⅜	18⅝	+¼
21805	Fst Marz A x	$15¾	15½	15¾	
4551	Fortis	$27⅞	27½	27½	-⅜
5160	Four Seasn	$17¾	17⅜	17¾	+¼
12465	FrancoNev	$70½	69½	70⅜	+⅜
25635	Gesc Comp	$14¾	14¼	14¼	-⅜
2900	Gendis A	$18½	16⅜	16½	
105429	Gentra	37	34	35	
40700	Glamis Gld	$8¾	6½	8¾	+¼
57100	GoldnStar	$13⅜	13⅛	13⅜	+⅛
9100	Granges	350	330	340	-10
4400	GW Lifeco	$19	18⅝	18¾	-¼
48758	Gulf Cda R	$5½	5⅜	5⅜	-⅛
900	GW Utils	$6	6	6	
5020	HarrisSt A	u$10⅜	10	10¼	+¼
350	Hawker Sid	$27½	27½	27½	+¼
16575	Hees Intl	$11⅞	11⅝	11¾	
47150	Hemlo Gold	$12½	12⅛	12½	+¼
104600	Hollinger	$12½	12¼	12⅜	-⅛
139963	Home Oil	$22⅝	22	22½	
15090	Horsham	$15⅞	15⅜	15½	
210	HudsBayMS	490	470	490	
18815	Hudsonbay x	$36¼	35⅞	35⅞	-¼
39057	Imasco	$37	35¾	37	
37772	Imp Oil	648¾	48¼	48⅜	+⅛
248243	Incn	$26½	26	26	-⅜
1500	IntMarexT	$6¼	6	6	
1000	Intera Inf	$9¼	9¼	9¼	
33522	IntprPipe	$29	28⅞	28⅞	
3400	Invest Grp x	u$37½	37	37⅞	-⅛
800	Ivaco A	$5¾	5¾	5¾	
2000	Jannock	$16¾	16½	16½	-¼
1509	KernAddis	$21½	21¼	21½	+½
456800	Labatt	$22⅜	22⅛	22⅜	+⅛
523235	Lac Minls	$11⅛	10⅞	11⅛	+⅛
17387	Latarge	u$26½	25½	26⅛	
65300	Ladkaw A	$7⅞	7¾	7¾	-¼
403087	Laidlaw B	$7⅞	7⅞	7⅞	
500	Laurent Bx x	$18¾	16¾	18¾	
2000	Laurent Op	$8¼	8¼	8¼	
4103	Lawson Mar	$8¾	8⅝	8¾	
65500	Loblaw	$21	20⅞	21	+⅛
38850	Mackenzie	$9⅜	9¼	9⅜	+⅛
79661	Maclean Hu x	$11⅜	11⅛	11¼	+⅛
43780	Macm Bl	$20⅞	20⅜	20¾	-⅛
28420	Magna IntA	$57½	56½	56¾	-¼
35057	Mal Lf Pds	$12⅜	12⅜	12⅜	+⅛
4224	Marit T&T	$22½	22⅜	22½	
23778	Mark Res	$10½	10⅜	10½	
9250	MDS Hlth 6	$14½	14¼	14⅜	-⅛
9200	Metall Min	$10¼	10⅛	10¼	
22511	MidWstwyn	$10½	10¼	10½	+¼
86500	Mitel Corp	610¼	9⅞	10	
173180	Molson A	$28¾	26	28¾	+⅝
24143	Moore Corp	$25	24⅛	24¾	-¼
16900	Muscocho	34	32	32	-2
148613	Nat Bk Can	$10⅛	8⅞	9⅞	-⅛
170971	Newbridge	$9½	8⅝	8⅞	-1⅛
12900	Noma Ind A	$7	6⅞	6⅞	-⅛
35420	NorandaFor	$10½	10⅜	10½	+⅛
243649	Noranda	$21¾	21⅜	21⅝	-⅛
38950	Norcen En	$21¼	20⅞	20⅞	-⅛
36020	Nth Tele	$32½	32¼	32⅜	-⅛
3500	Northgate	150	150	150	
281479	Nova Corp	$8⅝	u8⅜	8½	+⅛
2000	Nowsco Well	$16⅞	19½	19½	
19700	Numac En	$9¾	8⅝	8¾	-⅛
23900	Oasis Corp x	$16⅛	16	16	-⅛
1300	Oshawa A	$23½	23¼	23¼	-⅜
253300	PWA Corp	84	81	81	
78600	Paguntan A	223	218	220	
57425	Pancdn Pet	$44⅞	44½	44⅝	+⅛
56340	Pegasus	$27½	27⅛	27½	+⅛
165216	Petro Can	u$13⅛	12⅞	12⅞	
70700	PhilipEnr	$7¾	7⅛	7⅛	-½
52741	Pioneer Mt	30	27	30	
797627	PlacerDome	u$28⅞	28⅛	28⅜	+⅜
255613	Poco Pet	$9¾	6½	9¾	
31100	Power Corp	$16⅝	16¼	16¼	-¼
3400	Power Fin x	u$27⅞	27¾	27¾	
151050	Ranger Oil	$7⅜	7¼	7¼	-⅛
31100	Raymck	$15½	15⅜	15⅜	+⅛
223	Reed Stan	525	d24⅜	25	-1½
200	Reitman S x	$20½	20½	20½	+⅝
131081	Rem'sance	$33⅜	33	33	-⅛
17445	Repap Ent	420	415	415	
42780	Rigel En	u$24½	23¼	23¾	-¼
9500	Rio Algom	$17¾	17¼	17⅜	+⅛
188952	RogersCntl	$21¼	21	21	
100	Rothmans	$100	100	100	
447972	RoyalBkCan	$27¼	26¾	27	+⅛
94625	Ryl Oak Mn	$8	5¼	8	+⅛
1515	StLawrCm A	$7⅛	7¼	7⅛	
320986	ScotptrnRs	u$14⅞	14	14⅞	+1⅛
209	ScotPaper x	$10⅛	10⅛	10⅛	-½
17500	Scotts Has	$10¼	10	10¼	
174916	Seagrams Co	$34⅝	34¼	34⅜	
11400	Sears Can	$7⅞	7⅝	7⅝	-⅛
15700	ShellCan A	$43	42¾	43	
24785	Sherritt G	$8¾	8½	8¼	
34800	SHL Syst	813	12½	12⅝	-⅛
69225	SNC Group	$16⅛	16¾	19	+¼
2200	Sonora Gld	22	19	22	
126500	Southam	$17¼	17⅛	17⅛	-¼
12280	Spar Aero	$16⅞	16⅛	16⅞	
416584	Stelco A	u$5½	5⅛	5¼	
247334	TalismnEn	$31½	30⅝	30⅞	-½
68840	Teck B	$17⅞	17½	17½	
15485	Teleglobe	$16¾	16⅝	16¾	+¼
208537	Telus Corp	u$14⅝	14½	14⅝	+⅛
348462	Thomson	$15⅞	15⅝	15⅞	
433005	Tor Dom Bk	$20⅜	20	20¼	+⅛
36100	Torstar B	$22½	22¼	22⅜	
173119	Transcdn Pr	$21½	20¾	21	+¼
169807	Transalta	$14¾	14½	14¾	+⅛
16036	Trimac	$18¼	15⅞	15⅞	
171600	Triton A	84	78	80	-3
100	UAP A	$21½	21½	21½	
200	UnitedCorp	$32½	32½	32½	-⅛
6500	UtdDomind	$19⅜	19½	19½	-¼
3300	Univa	$7¾	7¾	7¾	
40250	Vicoray Rs	$12¼	11⅞	11⅞	-⅛
188756	Westcst E	u$22⅝	22⅜	22½	+⅛
6100	Weston Gec	$38⅞	38½	38½	-⅛
1500	WIC B	$16¾	16½	16¾	+¼

† - No voting rights or restricted voting rights

MONTREAL

4 pm close October 8

Sales	Stock	High	Low	Close	Chg
16309	BioChemPh	$13½	13⅛	13¼	-⅛
110273	BombrdierB x	$16	15¾	15⅞	+½
121500	Cambior	$16½	16	16½	+⅜
900	CanMarconi	$15¼	15¼	15¼	
18920	Cascades	$5⅞	5¾	5⅞	+⅛
1400	GTC TranB	$12	11½	11¼	-⅜
5468	JeanCoutu	$12¾	12¾	12¼	
71725	MetroRich	$10⅝	10⅛	10½	+¼
150474	NatBk Can	$10⅛	9⅞	9⅞	-⅛
150	Quebecor A	$19	16	19	+⅛
9661	Univa	$7¾	7⅝	7⅝	-⅛
40971	Videotron	$26⅝	26¼	26⅝	+¼

Total Sales 19,184,350 shares

INDICES

NEW YORK

DOW JONES	Oct 8	Oct 7	Oct 6	Oct 5	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Industrials	3584.74	3583.63	3596.99	3587.25	3652.09 (2/6)	3241.95 (20/1)	3652.09 (2/6/93)	41.22 (8/7/32)
Home Bonds	109.32	109.25	109.43	109.11	109.69 (13/9)	103.48 (11/1)	109.69 (13/9/93)	54.99 (1/10/81)
Transport	1636.25	1635.82	1632.82	1636.04	1683.08 (16/4)	1433.84 (4/1)	1683.08 (16/4/93)	12.32 (8/7/32)
Utilities	243.80	244.86	246.51	246.10	256.46 (31/8)	217.14 (8/1)	256.46 (31/8/93)	16.50 (2/4/32)

DJ Indl. Day's High 3610.45 (3616.33) Low 3559.37 (3584.90) (Theoretical)
Day's High 3596.20 (3600.67) Low 3557.92 (3582.95) (Actual)

STANDARD AND POOR'S

	Oct 8	Oct 7	Oct 6	Oct 5	1993 HIGH	1993 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	460.31	459.18	460.74	461.20	463.56 (31/8)	429.05 (8/1)	463.56 (31/8/93)	4.40 (1/6/32)
Industrials¶	520.12	510.77	519.80	520.41	524.93 (10/3)	496.46 (25/4)	524.93 (10/3/93)	3.62 (21/6/32)
Financial	48.09	47.89	48.10	48.05	48.40 (28/9)	38.69 (8/1)	48.40 (28/9/93)	8.64 (1/10/74)
NYSE Composite	256.81	255.44	256.26	256.40	256.86 (31/8)	236.21 (8/1)	256.86 (31/8/93)	4.46 (25/4/42)
Amex Mkt. Value	464.70	463.95	463.36	461.68	464.70 (8/10)	395.84 (8/1)	464.70 (8/10/93)	29.31 (9/12/72)
NASDAQ Composite	754.27	752.49	754.77	762.27	764.84 (4/10)	645.87 (26/4)	764.84 (4/10/93)	54.87 (31/10/72)

	Oct 1	Sep 24	Sep 17	year ago (approx.)
Dow Industrial Div. Yield	2.85	2.88	2.81	3.24

	Oct 6	Sep 29	Sep 22	year ago (approx.)
S & P Industrial div. yield	2.48	2.49	2.51	2.70
S & P Ind. P/E ratio	27.86	27.78	27.52	27.40

NEW YORK ACTIVE STOCKS

Friday	Stocks traded	Closing price	Change on day
Am Exp Note	4,514,500	36⅞	-..
Detroit Ed	4,391,400	25¾	-..
Adv Micro	3,148,300	20½	-¼
Philip Morris	2,653,100	48¼	+1⅛
Wal-Mart	2,416,900	26½	-¼
Tiphook Pl	2,132,600	6¼	-⅛
Fed Dept St	2,039,100	18⅞	+½
US Surgical	2,032,700	23¾	-⅞
Conning	2,027,200	27⅝	+⅛
Chrysler	1,945,600	48½	-1⅛

TRADING ACTIVITY

† Volume	Oct 6	Millions Oct 7	Oct 8
New York SE	243.251	254.772	273.766
Amex	17.204	16.229	21.002
NASDAQ	(a)	294.186	297.945
NYSE			
Issues Traded	2,609	2,617	2,626
Rises	1,112	836	1,111
Falls	923	1,107	864
Unchanged	674	674	651
New Highs	122	108	145
New Lows	24	25	24

CANADA

TORONTO	Oct 6	Oct 7	Oct 6	Oct 5	1993 HIGH	1993 LOW
Metals & Minerals	2914.56	2927.74♦	2897.14	2870.20	3140.94 (1/6)	2743.31 (21/1)
Composite	4067.30	4060.79	4055.48	4014.11	4143.70 (1/6)	3275.80 (21/1)
MONTREAL Portfolio	1816.94	1910.55	1903.66	1884.82	1963.55 (1/6)	1720.97 (21/1)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto Indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (a) Unavailable. A The DJ Indl. Index theoretical day's highs and lows are the averages of the highest and lowest prices reached during the day by each stock; whereas the actual day's highs and lows (supplied by Telekurs) represent the highest and lowest values that the index has reached during the day. (The figures in brackets are previous day's). ¶ Subject to official recalculation. ♦ Correction.

	Oct 8	Oct 7	Oct 6	Oct 5	1993 HIGH	1993 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	2026.2	2022.5	2016.0	1998.5	2026.20 (8/10)	1485.00 (13/1)
All Mining (1/1/80)	842.5	831.3	820.2	807.0	904.50 (2/8)	594.70 (13/1)
AUSTRIA						
Credit Aktien (30/12/84)	392.97	391.62	392.92	391.40	403.05 (31/5)	300.26 (14/1)
Traded Index (27/9/91)	1007.31	1002.03	1002.70	998.01	1019.13 (6/9)	712.08 (15/1)
BELGIUM						
BEL20 (1/1/91)	1347.1	1332.60	1331.67	1323.46	1363.70 (12/8)	1125.46 (4/1)
DENMARK						
Copenhagen SE (31/1/83)	334.05	334.31	334.50	331.51	340.58 (19/8)	261.80 (4/1)
FINLAND						
HEX General (28/12/90)	1486.3	1463.7	1457.7	1456.9	1492.90 (18/8)	843.10 (22/1)
FRANCE						
CAC General (31/12/81)	590.92	595.41	596.84	590.46	600.51 (21/8)	471.34 (13/1)
CAC 40 (31/12/87)	2158.38	2147.41	2164.40	2138.77	2218.49 (31/8)	1772.21 (29/1)
GERMANY						
FAZ Aktien (31/12/58)	786.57	764.63	759.39	753.97	786.57 (8/10)	598.92 (14/1)
Commerzbank (1/12/53)	2183.4	2179.4	2165.9	2152.1	2183.40 (8/10)	1694.30 (14/1)
DAX (30/12/87)	2005.01	1997.04	1987.05	1972.73	2005.01 (8/10)	1518.50 (13/1)
HONG KONG						
Hang Seng Bank (31/7/64)	8005.56	8066.79	8041.57	7869.48	8086.79 (7/10)	5437.80 (4/1)
IRELAND						
ISEQ Overall (4/1/88)	1707.34	1709.00	1715.49	1715.07	1754.84 (19/8)	1181.18 (11/1)
ITALY						
Banca Com. Ital. (1/1/72)	590.70	598.16	600.41	596.47	632.86 (30/8)	446.33 (6/1)
MIB General (4/1/83)	1298.0	1310.0	1320.0	1312.0	1380.00 (30/8)	992.00 (11/1)
JAPAN						
Nikkei (16/5/49)	20379.64	20355.63	20590.25	20321.93	21146.11 (13/8)	15287.45 (25/1)
Tokyo SE (Topix) (4/1/68)	1656.40	1646.79	1653.78	1634.93	1698.87 (3/9)	1290.06 (25/1)
2nd Section (4/1/68)	2246.85	2246.29	2249.25	2244.05	2384.97 (7/8)	1651.72 (26/1)
MALAYSIA						
KLSE Composite (4/4/86)	884.62	874.34	865.77	857.98	884.62 (8/10)	614.28 (13/1)
NETHERLANDS						
CBS Tot.Rtn Gen.(End 1983)	(a)	368.2	366.7	363.7	386.70 (6/10)	285.70 (4/1)
CBS All Shr (End 1983)	(a)	250.6	250.9	249.0	252.30 (31/8)	198.60 (13/1)
NORWAY						
Oslo SE (ind) (2/1/83)	968.81	967.21	967.25	943.63	979.17 (13/8)	669.93 (27/1)
PHILIPPINES						
Manila Comp (2/1/85)	1982.72	1961.04	1948.69	1951.06	1998.37 (17/9)	1270.68 (4/1)
SINGAPORE						
SES All-Singapore (2/4/79)	532.12	533.75	532.8	530.9	533.75 (7/10)	394.10 (13/1)
SOUTH AFRICA						
JSE Gold (28/9/78)	1674.0¶	1606.0	1528.0	1483.0	2098.00 (30/7)	775.00 (5/1)
JSE Industrial (28/9/78)	4504.0¶	4481.0	4463.0	4416.0	4719.00 (6/7)	4333.00 (19/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	714.56	717.82	716.90	717.71	777.25 (9/6)	605.93 (6/3)
SPAIN						
Madrid SE (30/12/85)	292.58	291.06	291.51	289.04	304.88 (30/8)	215.60 (4/1)
SWEDEN						
Affärsvärlden Gen. (1/2/37)	1346.30	1337.30	1327.0	1325.70	1346.30 (8/10)	879.10 (26/1)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	1089.79	1089.59	1092.47	1087.77	1092.47 (8/10)	904.80 (11/1)
SBC General (1/4/87)	867.97	865.53	864.62	860.03	867.97 (8/10)	678.70 (11/1)
TAIWAN**						
Weighted Price (30/6/66)	3863.19	3894.94	3814.62	3813.26	5013.26 (7/4)	3088.43 (9/1)
THAILAND						
Bangkok SET (30/4/75)	1098.64	1088.52	1098.24	1019.45	1098.64 (8/10)	618.64 (1/6)
WORLD						
M.S. Capital Ind.(1/1/70) $	683.2*	599.9	601.3	597.5	605.20 (6/9)	488.60 (13/1)
Euro Top-100 (26/6/90)	1133.44	1130.57	1132.15	1125.34	1133.44 (8/10)	862.73 (13/1)

*Saturday October 2 Taiwan Weighted Price: 3809.88, Korea Composite Ex: 719.55.
¶ Subject to official recalculation. *Calculated at 15.00 GMT.

Base values of all indices are 100 except: Austria Traded, 1991.01, HEX Gen., ASE Gen., CACAO, Euro Top-100, ISEQ Overall and DAX – 1000, JSE Gold – 225.7, JSE 28 Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (a) Unavailable.

TOKYO - Most Active Stocks

Friday, October 8, 1993

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Fujitsu	7.0m	961	+5	Mitsubishi Motor	2.8m	839	+7
Mitsubishi Heavy	4.7m	669	+17	Nippon Yusen kK	2.5m	626	+5
Nippon Steel	4.3m	339	-5	Fujikura	2.4m	908	+27
Isuzu Motor	3.4m	417	+5	Tokyo Elec Power	2.4m	3,550	+80
Tokyo Gas	3.0m	537	+5	Nissan Motor	2.4m	763	-4

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FINANCIAL TIMES

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AUSTRIA

1993 High	Low	October 8	Price Sch
2,000	1,290	Austrian Airlines	1,800
1,140	956	Bank Austria	960
782	409	Creditanstalt Pf	771
3,770	2,980	EA General	3,570
1,214	690	EVN	1,212
922	464	Lenzing	856
670	562	Oemv	600
1,105	780	Austrian Zement	920
482	290	Radex Heraklith	402
220	148	Steyr Daimler	169
348	211	Veitscher Magnesit	303
870	580	Verbund (Br) A	861
535	440	Vienna Int Airport	479
3,800	2,820	Wienerberger	3,560

BELGIUM/LUXEMBOURG

1993 High	Low	October 8	Price Frs.
2,666	2,145	AG Group	2,560
3,395	2,350	Ackermans	3,395
8,000	5,880	Almanij	7,670
4,400	1,750	Arbed	3,845
4,230	3,100	BBL	4,190
15,827	11,236	Bank Intl a Lux	15,600
21,700	13,501	Basq Gen Lux Pts	21,700
35,975	31,000	Banque Nat Belg	34,825
19,200	13,300	Bekaert	19,175
12,850	8,000	CBR Cement	11,425
2,200	1,492	CMB	2,200
5,290	4,220	Cobepa	5,020
145	61	Cockerill Prir	142
6,570	5,020	Colruyt	5,670
1,374	1,090	Delhaize Fre Lion	1,278
8,420	5,610	Electrabel	8,100
6,390	5,460	Electrabel AFVI	5,970
2,810	2,030	Electrafina ACT	2,760
3,740	2,805	GBL	3,080
3,830	2,600	GBL AFV 1	3,560
1,334	1,110	GIB Group	1,284
9,000	7,070	Generale Banque	8,760
6,170	6,210	Gevaert	8,040
4,040	2,800	Glaverbel	3,580
3,880	2,480	Immobel	3,645
7,800	6,750	Kredietbank	7,670d
7,770	5,630	Kredietbank AFV	7,450d
5,190	5,500	Mercanor	5,500
1,570	1,312	Mosane	1,500
18,180	12,600	Pan Holding Lux	16,130
8,000	7,200	Petrofina	9,240
3,125	2,545	Powerfin	3,060
423	273	Recticel	382
4,950	4,025	Royale Belge	4,820
4,700	3,810	Royale Belge AFV 1	4,565
2,895	1,805	Soc Gee Belge	2,545
2,555	1,560	Soc Gen Belge AFV	2,470
14,025	9,800	Sofina	13,050
1,600	1,280	Solvac	1,430
13,400	10,775	Solvay	12,875
9,750	7,750	Tractebel	9,400
25,925	20,125	UCB	22,925
2,585	1,000	Union Miniere	2,345

DENMARK

1993 High	Low	October 8	Price Kr
600	389	Aalborg Portland A	500
236	187	Bikuben	218
206	238	Carlsberg A	255
5,060	3,800	Coden	4,750
120,000	79,000	D/S 1912 A	121,000
910	810	Danisco	900
398	336	Den Danske Bank	360
190	60	East Asiatic	155
530.23	384	FLS Ind B	415
580	258.50	Great Nordic	547
228	162	ISS Int Serv B	204

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AIB Unit Trust Managers Limited (1000)F
51 Belmont Rd, Uxbridge, Middx UB8 1RZ 0895 259783

AIB Grofund American	5	156.4	158.0	168.5	0.00	[illegible]
AIB Grofund Equity	5	227.0	230.8	244.3	1.67	[illegible]
AIB Grofund Euro	5	182.5	184.6	196.3	0.27	[illegible]
AIB Grofund Ext Balanced	3	110.2	111.7	115.2	0.95	[illegible]
AIB Grofund Gilt	3	70.04	70.10	81.54	4.25	[illegible]
AIB Grofund Japan	5	182.4	184.1	193.6	0.00	[illegible]

AXA Equity & Law Unit Tst Mngrs (1200)H
Equity & Law Hse, Corpn St, Coventry 0203 553231

Abbey Unit Tst Mngrs (1000)H
80 Holdenhurst Rd, Bournemouth 0345 717373

Aberforth Unit Trust Managers Ltd (1600)F
14 Melville St, Edinburgh EH3 7NS 031-220 0733

UK Small Cos	0	1554.0	1554.0	1620.0	[illegible]	[illegible]

Abtrust Unit Trust Managers Ltd (1200)H
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580

Acuma Fund Managers Ltd (1400)F
5 Rayleigh Rd, Hutton, Essex 0277 690330

AEGON Unit Trusts Ltd (1000)F
30 St Andrew Square, Edinburgh EH2 1YF 031-549 3232

Allchurches Inv Mgmt Servs Ltd (1200)F
181 King's Road Brentwood CM14 4DR 0452 305958

Allied Dunbar Unit Tsts PLC (1600)F
Allied Dunbar Centre, Swindon, SN1 1EL

Arkwright Management (1400)F
1 King St, Manchester M60 3AH 0800 526858

B & C E Unit Trust Mngmt Ltd (1000)H
Manor Royal, Crawley RH10 2QP 0293 526911

BSI-Thornhill Unit Trust Mgrs Ltd (1200)F
26 St John's Sq, London EC1M 4AE 071-251 6787

Baillie Gifford & Co Ltd (1400)H
1 Rutland Court, Edinburgh EH3 8EY 031-222 4242

Bank of Ireland Fund Mgrs Ltd (1400)F
36 Queen St, London, EC4R 1BN 071-489 8673

Barclays Unicorn Ltd (1000)F
11 Broadway, Stratford E15 4BJ 081-534 5544

Baring Fund Managers Ltd (1200)H
PO Box 156, Beckenham, Kent BR3 4XQ 081-658 [illegible]

Blackstone Franks UT Mngrs Ltd (0900)F
26-34 Old Street, London EC1V 9HL 071-250 3300

Brewin Dolphin Unit Tst Mgrs Ltd (0905)F
5 Giltspur St, London EC1A 9DE 071-236 6441

Britannia Life Unit Managers Ltd (1200)F
50 Bothwell Street, Glasgow G2 6HR 041-[illegible]

Brown Shipley UT Mngrs Ltd (1000)F
9-17 Perrymount Rd Haywards Hth 0444 41[illegible]

Burrage Unit Tst Mangmt Ltd (0905)F
117 Fenchurch St, London EC3M 5AL 071-480 7610

Short Dated Gilt	1¼	68.40	68.40	69.33	6.03	[illegible]

CIS Unit Managers Ltd (1000)F
PO Box 105, Manchester M60 0AH 061-837 5060

Environ	5	140.6	143.8	152.0	1.66	[illegible]
UK Growth	5	155.6	157.6	167.7	1.99	[illegible]
UK Income	5	130.3	131.8	140.3	4.01	[illegible]

Canada Life Unit Tst Mgrs Ltd (1200)F
High St, Potters Bar, Herts, EN6 5BA 0707 651122

Cannon Lincoln Fd Mngrs Ltd (1200)H
1 Olympic Way, Wembley, HA9 0NB 081-902 8876

Capel-Cure Myers UT Mngt Ltd (1200)F
35 Fountain Street, Manchester M2 2AF 061-236 5685

James Capel Unit Tst Mngt Ltd (1400)F
7 Devonshire Square, London, EC2M 4HU 071-855 5050

Capital House Unit Tst Mgrs (1200)F
Capital House, Festival Square, Edinburgh. 031-228 4477

Cazenove Unit Trust Mngmt Ltd (1600)F
3 Copthall Avenue, London EC2R 7BH 071-606 0708

Century Unit Trusts Ltd (1400)F
5 Old Bailey, London EC4M 7BA 071-332 5000

Chartered Asset Mngmt Ltd (1700)F
151 Farringdon Rd, London EC1R 3AD 071-837 7867

City Financial Unit Trust Mngrs Ltd (1100)F
1 White Hart Yard, London Bridge, SE1 071-407 5966

City of London Unit Tst Mgrs Ltd (1000)F
78 Eastcheap, London, EC3M 1AJ 0302 412144

Clerical Medical Unit Tst Mgrs Ltd (1000)F
Narrow Plain, Bristol BS2 0JH 0800 373393

Colonial Mutual Unit Tst Mgrs Ltd (1200)F
Chatham Maritime, Kent ME4 4YY 0634 895000

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Exchange Court, 3 Bedford Park, Croydon CR0 2AQ

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Lytton Way, Stevenage, Herts SG1 2NN 0438 744840

Consistent Unit Tst Mngt Co Ltd (1200)F
1 White Hart Yd, London Bridge, SE1 1NX 071-407 5966

Co-op Pension Fds UT Mgrs Ltd (1000)F
78-80 Cornhill, London EC3V 3NJ 071-283 8494

Credit Suisse Investment Funds (UK) Ltd (1200)H
8 Rayleigh Rd, Hutton, Brentwood, Essex 0277 690370

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Equitable Unit Trust Managers Ltd (1600)F
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23 Cathedral Yard, Exeter EX1 1HB 0392 412144

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10 West Street, Brighton BN1 2RE 0273 220707

Fidelity Investment Servs Ltd (1200)F
130, Tonbridge Rd, Tonbridge TN11 9DZ
Callfree: Private Clients 0800 414161

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31 Sun Street, London EC2 2QP 071-377 9242

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GA Unit Trust Mngrs Ltd (1000)H
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GAM Sterling Management Ltd
12 St James's Place, London SW1 071-493 9990

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Hill Samuel Unit Tst Mgrs (1200)F
NLA Tower Addiscombe Road, Croydon 081-686 4355

INVESCO Fund Managers Ltd (1200)F
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113 Dundas St, Edinburgh EH3 5EB 031-550 5181

L & C Unit Tst Mngmt Ltd (0905)F
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2 Bartley Way, Hook, Hants RG27 9XA 0256 768888

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Prudential Unit Trusts Ltd (1200)F
51-59 Ilford Hill, Ilford, Essex, IG1 2DL 081-478 3377

Reliance Unit Mgrs. Ltd (1000)H
Reliance House, Tunbridge Wells, Kent 0892 510033

Rock Asset Mgmt (Unit Trust) Ltd (0905)F
Bulman House, Regent Centre, Gosforth

Rothschild Fund Management (1000)F
St Swithin's Lane, London EC4

Royal Life Fd Mgmt Ltd (1000)F
PO Box 34, Peterborough PE2 0UE Prices:0733 282828

Royal London Unit Tst Mgrs Ltd (2200)F
Royal Ldn Hse, Colchester CO1 1RA 0206 764400

St James's Place UT Group Ltd (1200)F
150 St Vincent St, Glasgow G3 5NS 041-307 6500

Samuel Intl Invest Services Ltd (0830)F
City Place Hse, 80 Basinghall St, EC2V 5DJ 071-330 0572

Save & Prosper Group (0900)H
16-22 Western Rd, Romford RM1 3LB 0708 766966

Schroder Unit Trusts Ltd (1400)F
Senator House, 80 Queen Victoria St, EC4V 4EJ

Scottish Amicable Ut Tst Mgrs Ltd (0730)H
150 St Vincent St, Glasgow G2 5NQ 041 204 2200

Scottish Equitable Fd Mgrs Ltd (1000)H
28 St Andrew Sq, Edinburgh 0800 454422

Scottish Life Investments (1200)F
19 St Andrew Sq, Edinburgh 031-225 2211

Scottish Mutual Inv Mngrs Ltd (1000)H
109 St Vincent St, Glasgow G2 5HN 041-248 6100

Scottish Provident Inv Mgt Ltd (1000)F
6 St Andrew Sq, Edinburgh EH2 2YA 031-558 2340

Scottish Widows' Fund Mngmt (0800)H
PO Box 902, Edinburgh EH16 5BU 031-668 3724

Semper Eadem Fund Mngt Ltd (1200)F
Admin: 5 Rayleigh Rd Hutton, Brentwood, Essex

Sharp (Albert E.) & Co (1000)F
Admin: 5 Rayleigh Rd Hutton, Brentwood Essex

Sheppards Unit Trust Mngmt Ltd (1200)F
1 White Hart Yard, London Bridge SE1 071-407 5966

Singer & Friedlander UT Mgmt Ltd (1000)F
PO Box 224, Beckenham, BR3 4TF 081-663 3003

Smith & Williamson Unit Tst Mgrs (1700)F
1 Riding House St, London W1A 3AS 071-637 5377

Sovereign Unit Tst Mngrs Ltd (1000)F
12 Christchurch Rd, Bournemouth 0202 298422

Standard Life Tst Mngmt Ltd (0730)H
3 George St, Edinburgh EH2 2XZ 0800 393777

State Street Unit Trust Mngmt Ltd (1400)F
28 King Street, London SW1 6QW 071-344 7000

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (♥) - 0001 to 1100 hours; (♣) - 1101 to 1400 hours; (♦) - 1401 to 1700 hours; (♠) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point, a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the FT Managed Funds Service.

§§ Life Assurance and Unit Trust Regulatory Organisation,
Centre Point,
103 New Oxford Street, London WC1A 1QH
Tel: 071-379-0444.

FT MANAGED FUNDS SERVICE

● FT Cityline Unit Trust Prices: dial (0891 or 0336) 430000, enter 4 and key in the five digit code listed below. Calls are charged at 36p/minute cheap rate and 48p/minute at all other times. International access available by subscription only. For more details call the FT Cityline Help Desk on (071) 873 4378.

Stewart Ivory Unit Tst Mgrs Ltd (1200)F
45 Charlotte Sq, Edinburgh 031-226 3271

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
American ♥	5	352.7	352.7	376.6	0.33	[illegible]
(Accum Units) ♥	5	415.6	415.6	444.0	0.33	[illegible]
British	5	1007.5	1007.5xd	1065.9	1.37	[illegible]
(Accum Units)	5	1799.4	1799.4	1903.7	1.37	[illegible]
Emerging Markets	5	119.3	119.3	127.7	0.20	[illegible]
(Accum Units)	5	118.4	120.1	128.0	0.20	[illegible]
European	5	423.6	429.8	457.3	1.24	[illegible]
(Accum Units)	5	416.4	476.4	507.1	1.24	[illegible]
Japan	5	164.5	164.9	175.0	-	[illegible]
(Accum Units)	5	166.2	166.2	178.4	-	[illegible]
New Pacific	5	330.5	333.1	354.7	0.92	[illegible]
(Accum Units)	5	346.4	349.1	371.7	0.92	[illegible]
Investment Tst	5	208.1	207.1	219.5	1.01	[illegible]
(Accum Units)	5	230.9	233.2	247.2	1.01	[illegible]
Mngd Equity	5	161.7	163.6	173.1	1.45	[illegible]
Mngd Equity Acc	5	177.2	179.3	189.7	1.45	[illegible]
Mngd Cash	0	95.47	95.47	95.47	5.67	[illegible]
(Accum Units)	0	129.4	129.4	129.4	5.67	[illegible]
Majority Sbg	1	99.65	99.65xd	106.8	4.70	[illegible]
Majority Sbg Acc	1	119.50	119.38	126.8	4.70	[illegible]

Sun Alliance Unit Tst Mngmt Ltd (1200)F
Admin: 5 Rayleigh Rd, Hutton, Brentwood, Essex
Enquiries 0277 227300 Dealing 0277 690393

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Equity	6	784.7	784.7	839.3	2.73	[illegible]
North America	6	123.4	123.4	132.0	0.64	[illegible]
Far East	6	140.0	140.8	140.7	0.22	[illegible]
W'wide Bond	6	62.44	62.44xd	66.28	5.24	[illegible]
European	6	92.16	93.16xd	99.65	0.70	[illegible]
Equity Income	6	28.89	91.57	97.94	3.77	[illegible]
Portfolio	6	81.16	81.16	86.88	0.81	[illegible]
UK Leading Cos	6	50.09	55.69	60.28	2.77	[illegible]
Broker Trusts						
Intnl Equity	6	62.63	63.08	67.40	-	[illegible]

Sun Life of Canada Unit Mgrs Ltd (1000)H
Basingview, Basingstoke Hants 0800 525725

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
American Growth	6	33.68	33.74xd	36.09	0.58	[illegible]
Managed Assets	6	125.85	126.50	135.30	2.88	[illegible]
UK Income	6	39.38	50.70	42.47	2.84	[illegible]
UK Growth	6	37.82	50.17xd	40.83	2.10	[illegible]
Worldwide Growth	6	32.81	32.94xd	35.24	0.50	[illegible]

Sun Life Trust Mngmt Ltd (1200)H
101, Cannon St, London EC4N 5AD
Admin & Enq 071-606 4044 Dealing 071-606 5010

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Master Portfolio	5¼	45.43	45.43xd	48.59	0.44	[illegible]
Amer Growth Acc	5¼	57.66	57.88	61.67	-	[illegible]
Cap Protector Acc	5¼	49.33	50.01	53.49	2.51	[illegible]
Cap Protector Int	5¼	40.93	41.50	44.38	2.51	[illegible]
Euro Growth Acc	5¼	80.90	88.92	89.31	0.49	[illegible]
Far East Gwth Acc	5¼	129.35	129.35	138.34	-	[illegible]
Japan Growth Acc	5¼	119.11	116.11	127.22	-	[illegible]
UK Growth Acc	5¼	73.32	73.32	78.42	1.74	[illegible]
UK Income Acc	5¼	74.50	74.55	79.73	2.99	[illegible]
UK Income Inv	5¼	52.33	52.33	55.97	2.99	[illegible]
Mngd Extra Income Inc	5¼	32.35	32.35	34.50	3.59	[illegible]
Mngd Extra Income Acc	5¼	36.56	36.56	39.89	3.59	[illegible]
Mngd Growth Acc	5¼	89.81	89.91	96.16	0.74	[illegible]
Mngd High Yield Inc	5¼	79.83	79.83	85.38	3.78	[illegible]
Mngd High Yield Acc	5¼	97.86	97.85	104.65	3.78	[illegible]
Mngd Inc & Gth Inc	5¼	75.73	75.73	80.99	2.88	[illegible]
Mngd Inc & Gth Acc	5¼	88.50	88.58	94.74	2.88	[illegible]
Mngd W'wide Growth	5¼	33.04	33.04xd	35.19	1.10	[illegible]
UK Smaller Cos	5¼	31.79	32.51	34.63	1.56	[illegible]
Pacific Growth Portfolio	5¼	40.14	40.53	43.35	0.11	[illegible]

Swiss Life Unit Tst Man Co Ltd (1200)F
Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex
Enquiries: 0277 227300 Dealing 0277 261010

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Equity Dist	6½	535.00	548.70	580.60	2.04	[illegible]
Equity Acc	6½	795.20	815.60	863.10	2.04	[illegible]
Fixed Int Dist	6½	125.05	128.50	133.20	6.95	[illegible]
Fixed Int Acc	6½	318.30	325.30	337.10	6.95	[illegible]
UK Index Track Dist	5	125.30	127.60	135.00	2.79	[illegible]
UK Index Track Acc	5	141.50	144.40	152.80	2.79	[illegible]

TSB Unit Trusts (1200)F
Charlton Pl, Andover, Hants SP10 1RE 0264 346794

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
TSB American	6	212.28	215.86	229.68	-	[illegible]
Do Accum	6	231.78	237.70	252.98	-	[illegible]
TSB Gilt Growth	6	28.70	90.78xd	96.57	1.82	[illegible]
Do Accum	6	101.53	107.53	114.38	1.82	[illegible]
TSB European	6	100.76	102.08	108.59	0.68	[illegible]
Do Accum	6	107.08	108.47	115.39	0.68	[illegible]
TSB Extra Income	6	195.87	199.00xd	211.70	3.86	[illegible]
Do Accum	6	319.88	324.93	345.67	3.96	[illegible]
TSB Smaller Cos	6	67.89	69.01	73.21	1.24	[illegible]
Do Accum	6	74.59	76.50	81.30	1.24	[illegible]
TSB General	6	280.37	284.30	302.45	2.38	[illegible]
Do Accum	6	560.05	567.90	604.15	2.30	[illegible]
TSB Premier Income	5	53.01	54.79	57.07	6.15	[illegible]
Do Accum	5	113.77	115.25	120.68	6.15	[illegible]
TSB Income	6	345.43	350.73	373.12	3.39	[illegible]
Do Accum	6	711.91	723.82	770.34	3.39	[illegible]
TSB Pacific	6	377.13	377.13	401.28	-	[illegible]
Do Accum	6	396.26	396.26	421.56	-	[illegible]
TSB International	6	518.43	518.42	551.52	0.23	[illegible]
Do Accum	6	678.60	678.60	722.00	0.23	[illegible]
TSB Nat Resources	6	130.92	136.52	144.81	-	[illegible]
Do Accum	6	143.05	149.35	158.92	-	[illegible]
TSB Scot Opps	6	102.01	103.94	110.58	1.18	[illegible]
Do Accum	6	128.77	131.76	139.54	1.18	[illegible]
Environmental Inv	6	60.53	60.53	64.39	1.76	[illegible]
Do Accum	6	65.37	65.37	69.55	1.76	[illegible]
TSB Selector	6	61.42	62.42	66.42	2.24	[illegible]
Do Accum	6	67.56	68.78	73.15	2.24	[illegible]
TSB High Income	6	67.43	68.23	72.50	4.44	[illegible]
Do Accum	6	80.33	81.28	86.50	4.44	[illegible]
TSB Intl Income	6	60.96	61.37	65.28	4.84	[illegible]
Do Accum	6	71.89	72.38	76.97	4.84	[illegible]
TSB Selector Income	6	67.27	67.95	65.83	4.73	[illegible]
Do Accum	6	70.75	71.51	76.07	4.73	[illegible]

T.U. Fund Managers Limited (1200)H
NLA Tower, Addiscombe Road, Croydon 081-686 4355

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
T U British	5	315.4	329.4	337.2	1.60	[illegible]

Templeton Unit Trust Managers Ltd (1200)F
Athol Crescent, Edinburgh EH3 8HA 031-228 3932

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Global Growth Acc	6	193.02	193.57	207.03	1.74	[illegible]
Global Growth Inc	6	175.69	176.20	188.45	1.74	[illegible]
Global Balanced Acc	6	174.99	175.25	131.44	3.10	[illegible]
Global Balanced Inc	6	152.76	152.93	163.56	3.10	[illegible]
Value Tst Acc	6	116.33	117.02	125.15	1.54	[illegible]
Value Tst Inc	0	106.87	107.50	114.98	1.54	[illegible]

Thornton Unit Managers Ltd (1200)F
33 Queen Street, London EC4R 1AA 071-246 3000
Dealing 071-248 3001

American Smllr Cos, (Accum Units), European Opps, (Accum Units), Dresdner Europe Bd, (Accum Units), Japan Tst, (Accum Units), Latin Dragons, (Accum Units), Oriental Income, (Accum Units), Tiger, (Accum Units), UK Blue Chip, (Accum Units), UK Smlr Cos, (Accum Units), Formerly Akzas, Inti Amer Gwth, (Accum Units), European Growth, (Accum Units), Far Eastern, (Accum Units), High Yield, (Accum Units), Iberian Growth, Intl Growth, (Accum Units), Japan Gwth, (Accum Units), Preference, (Accum Units), Recovery, (Accum Units), Smaller Cos Div, (Accum Units), Smaller Cos, (Accum Units), UK Growth, (Accum Units) — prices [illegible]

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh 031-225 1551

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Australasian Gold	6	18.30	18.38	19.55	0.5	[illegible]
Pacific Basin	6	36.78	36.78	39.13	0	[illegible]
Can Balncd Gwth	6	35.91	35.51	37.77	-	[illegible]
Global Bond	4	0.9757	0.9765	1.017	7	[illegible]
Penny Share	6	26.23	26.23	27.9	1.5	[illegible]

Whittingdale Unit Tst Mngmt Ltd (0830)F
2 Honey Lane, London EC2V 8BT 071-600 0462

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Chattpeper	2½	99.79	99.79	102.1	0.80	[illegible]
Short Dtd Gilt	1	111.9	111.9	113.3	0.80	[illegible]
U.S. Govmt Bond	1½	0.7214	0.7214	0.7300	0.00	[illegible]
Gilt Income	4	54.35	54.35xd	56.55	7.00	[illegible]
Gilt Growth	4	71.64	71.64	74.63	0.88	[illegible]
City Reserve	0	53.43	53.43	53.44	4.88	[illegible]

Woolwich Unit Trust Managers Ltd (1700)H
2 White Oak Square, Swanley BR8 7AG 081-298 4000

Fund	Init Charge	Canc Price	Bid Price	Offer Price	Yield Gr's	City-Line
Stockmarket Fd	0	73.42	73.49	78.18	1.85	[illegible]

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Int'l Expl Sep 30	714.3	736.4xd	1.85	40105

Baring Investment Mngmt Ltd
155 Bishopsgate, London EC2M 3XY
071-214 1050 (general enquiries) 071-214 1004 (dealing)
Charitable Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Growth & Income	55.92	57.76xd	4.9	44570
Income Plus	54.17	55.25	7.8	44571

CAF – Charity Money Management
40 Pembury Rd, Tonbridge TN9 2JD 0732 770114

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Balanced Growth	72.39	74.29	3.63	47779
Income	64.40	65.56	6.76	47780

James Capel Fund Managers Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Exempt	£142.834	150.975	3.01	42128
Japanese Exempt	£157.095	159.628	0.68	43428
Pacific Exempt	£139.3	142.128	2.87	43439
European Exempt	£126.081	127.579	2.56	43426
North American Exempt	£106.180	108.085	1.80	43436

Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Inv Fund Sep 50	646.95	653.15	4.56	40251
Fxd Int Sec Sep 50	164.28	164.40	8.82	40252

Deposit Fund: See Money Market Trust Funds.

Charinco/Charishare‡ (1000)F
33 King William Street, EC4R 9AS 071-280 2800

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Charinco Inc	188.1	188.1	8.72	40254
Charinco Acc	1169	1101	8.72	40255
Charishare Inc	207.1	211.4	3.76	40256
Charishare Acc	274.2	279.9	3.70	40257

COIF–Charities Official Inv Fd‡
2 Fore Street, London EC2Y 5AQ 071-588 1815

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Income Sep 30	639.98	644.49	4.84	40258
Accum Sep 30	2542.44	2570.76	-	40259
Fixed Int Income Sep 30	133.50	133.83	8.57	43071
Fixed Int Accum Sep 30	154.60	125.27	-	43070

Deposit Account: see Money Market Trust Funds

Charity Fixed Int Fd/Charity Equity Fd
33 Gutter Lane EC2V 8AS 071-382 8500 (Gen Enquiries) 071-382 3919 (Dealing)

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Charity Equity Inc	132.98	135.92xd	3.10	47740
Charity Equity Acc	140.48	143.61	3.10	47744
Charity Fixed Int Inc	110.82	112.17xd	7.46	47740
Charity Fixed Int Acc	120.32	121.88	7.46	47746

For County NatWest see NatWest

Edinburgh Fund Mngrs PLC
Exempt Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Oct 9	178.6	125.1	2.82	40369
Japan Oct 7	126.3	129.7	0.39	40370
Ser Jap Cos Oct 10	642.7	660.3	0.66	40372
Latin American Oct 5	138.0	143.4	0.35	47693

Ely Place Investments Ltd
28 Ely Place, London, EC1N 6RL 071-242 0242

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Alpha Charity	49.95	51.53	-	-

Fidelity Investment Services Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Exempt American Portfolio	143.3	145.0xd	0.88	43440
Mngd Pens P'folio	190.7	195.6xd	0.06	46865

Fledgeling Charity Portfolio
25 Copthall Avenue EC2R 7DR 071-638 5858

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Equity	£1.2066	1.2480	3.39	44572
Bond	£1.0892	1.1146	7.70	44574

Robert Fleming Asset Mngmt Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Am Exempt	£824.46	633.77	1.34	40458
Gen Exempt	£187.18	170.91	2.56	40457
Jap Exempt	£642.30	653.58	1.07	40458
Pacific Exempt	£170.40	170.25	1.80	46886
Cont'l Euro Exempt	£134.54	137.65	1.80	47674
Cont'l Euro Sm Cos Exempt	£102.28	108.50	2.56	-
Latin American Exempt	£96.25	107.60	1.45	-

Foreign & Colonial Unit Management Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Balanced Acc Oct 8	287.2	299.3	2.93	43441
Balanced Inc Oct 8	107.7	309.6	2.93	43443
Latin American Acc Oct 5	116.4	116.7	3.40	43444

Funds in Court*

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Capital Oct 7	805.86	810.86	3.38	40505
Gross Oct 7	214.80	216.82	6.66	40506
High Yield Oct 7	361.07	363.98xd	7.10	40507

* Restricted to monies under Court control

Govett (John) Unit Mngmt Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Exempt	117.88	120.32	2.96	43448

Henderson Unit Trust Management Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Pensions Mngd	66.68	68.25xd	2.58	40876
Henderson TB				
Ex European	1485.85	1495.26	1.39	47801
Ex Nth American	1376.56	1381.68	0.81	47802
Ex Pacific Basin	1041.81	1059.72	0.25	47803
Ex Smaller Cos Inc	2128.16	2234.98	2.28	43737
Ex Smaller Cos Acc	2280.32	2394.79	2.28	43752

INVESCO Asset Management Ltd
Exempt Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Asia & Australasia	£3.6140	3.6940	2.23	44503
Japan	£2.2280	2.2508xd	0.20	44504
Intl Mngd P'folio (1000-1)	£1.8470	1.7620	0.77	46884
Mngd Pens (Acc)	£0.8223	1.0030	3.80	41287
North American	£2.4840	2.5280	2.55	44886
Smaller Companies	£1.5080	1.5804xd	3.63	44506
UF Core	£1.0970	1.1408xd	4.17	43452

Jupiter Merlin Unit Trust Managers Ltd
Jupiter Merlin Exempt Trust

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Equity	£13.86	14.12	-	43453

Lazard Brothers & Co. Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Property Oct 7	£2125	2278	7.00	40777
Inc Gth Prp Jul 12	£1490.0	1600.8	8.90	40778

Lazard Investors Ltd ‡
Exempt Funds

Small Co's Oct 8; European Oct 8; American Oct 8; Japan Oct 8; Pacific Oct 8; Midland Gth Aug 31 — prices [illegible]

Local Authorities Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ 071-588 1815

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Property Sep 30	125.30	160.55	8.31	40825
Equity Sep 30	1075.50	1150.8	2.78	40826

* Available only to Local Authorities

M & G Securities Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Charibond (z)	110.00		0.26	40883
(Accum Units)	834.88		5.08	40884
NAACIF (z)	49.88		6.8	46917

Morgan Grenfell Investment Funds Ltd
Exempt Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Equity 7 Oct 8	180.3	185.2	2.36	40925
UK Small Do † Oct 5	840.3	867.3	2.84	46926
Fixed Interest † Oct 5	130.8	131.3	6.71	46920
Intl Bond Oct 5	147.3	146.7	7.89	47790

Morgan Stanley International

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Exempt NAV	£1492.95		-	44675
Overseas Exempt NAV	£1417.89		-	44676

Murray Johnstone UT Mngmt
Money Exempt Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
American Exempt	68.67	68.23	1.20	41064
European Exempt	60.27	62.14	2.25	41065
Fixed Int Ex Oct 6	54.30	54.25	7.68	48594
Japan Exempt	01.44	25.35	0.70	41068
Managed Ex Oct 6	07.50	59.64xd	2.93	41067
SE Asia Exempt	129.90	135.70xd	1.88	41068
Sm Cos Expt Oct 6	45.13	48.00	2.88	41069
UK Eqty Ex Oct 6	49.17	51.02	3.69	41070

NatWest Investment Management Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Smaller Cos Aug 26	6025	6330	3.37	-

PDFM Unit Managers Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Small Co's Oct 6	871.33	900.79xd	2.82	41138
Do Accum	1858.39	1084.78	2.65	41139
Int Exct Oct 7	258.32	263.53	1.72	41140
UK Index Oct 6	1460.85	1478.78	3.76	46945
Do Accum	1710.01	1731.22	3.76	46946
Convertible Oct 1	116.56	121.72	6.80	46936
World ex UK Index Oct 5	1082.19	1092.08	1.78	47007
Do Accum	1082.13	1092.05	1.78	47888
Japan Index Oct 5	800.41	807.93	0.00	47881
Do Accum	807.14	814.73	0.50	47885
USA Index Oct 5	1334.61	1371.48	2.47	47886
Do Accum	1475.01	1482.55	2.47	47887
Europe ex UK Index Oct 5	1192.29	1208.23	2.30	47878
Do Accum	1274.90	1291.95	2.20	47880
Pacific ex Jap Index Oct 6	1802.09	1841.91	2.74	47883
Do Accum	1754.63	1788.24	2.74	47884
Managed Exempt Oct 7	148.35	150.33xd	4.80	-
Do Accum	150.21	152.21	4.00	40336
American Exempt Oct 7	179.01	182.25xd	2.39	40574
European Exempt Oct 7	164.90	167.80	1.77	40428
Japan Exempt Oct 7	153.67	157.16	0.31	40835
Pacific Basin Oct 7	196.77	201.41	1.25	40636

Rothschild Asset Management

Fund	Bid Price	Offer Price	Yield Gross	City-Line
NC Property		144.84	-	43464

J. Rothschild Fund Managers Ltd.

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Intl Exempt Accum	193.9	196.4	0.89	44095

Stewart Ivory & Co Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Saints PPP Sep 14	408.2	429.7	-	41422

Closed to new business

Thornton Unit Managers Ltd

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Exempt Sep 30	129.38	135.08xd	2.70	46975
(Accum Units)	140.90	150.27xd	2.70	46976

INSURANCES

AXA Equity & Law Life Assce
Amersham Road, High Wycombe 0494 463463

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Equities Ser 5	913.5	961.5	-	42223
Higher Income Ser 5	986.2	1038.1	-	42224
Property Ser 5	462.3	486.6	-	42225
Fixed Interest Ser 5	413.7	435.4	-	42226
Index Lnkd Secs Ser 5	182.8	192.2	-	42227
Gtd Deposit Ser 5	285.8	300.8	-	42228
Nth America Ser 5	423.9	446.2	-	42229
Far East Ser 5	543.4	572.6	-	42230
Europe Ser 5	339.1	356.9	-	42231
International Ser 5	533.8	567.8	-	42232
Balanced Ser 5	665.2	700.2	-	42233
Reserve Ser 5	143.3	150.8	-	47039
Opportunity Ser 5	151.0	158.9	-	47040
Distribution Ser 5	152.8	160.8	-	-
Pens Equity Ser 5 3(z)	1270.6	1337.7	-	42234
Pens Higher Inc S 3 (z)	306.1	322.2	-	42235
Pens Fixed Int S 3 (z)	547.5	576.3	-	42236
Pens Index-Linked Sec S 3 (z)	231.8	249.0	-	42237
Pens Property S 3 (z)	451.5	478.0	-	42238
Pens N America S 3 (z)	188.5	198.3	-	42239
Pens Far East S 3 (z)	395.1	416.3	-	42240
Pens Europe S 3 (z)	150.6	158.4	-	42241
Pens Overseas S 3 (z)	793.6	835.3	-	42242
Pens Balanced S 3 (z)	760.4	800.4	-	42243
Pens Cash S 3 (z)	414.0	435.7	-	42244
Pens DAF Series 3 (z)	231.9	244.1	-	42245
Pens DAF Series 1 (z)	459.0	483.1	-	42246
Pens Opportunity S 3 (z)	164.1	172.7	-	47042
Pens Reserve S 3 (z)	163.1	171.8	-	47041

Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth 0202 292373

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Prop Ser 1	261.2	275.0	-	41608
Equity Ser 1	1188.7	1251.3	-	41609
Prop Acc Ser 2	459.5	483.7	-	41610
Equity Ser 2	751.1	791.7	-	41611
Selective Acc Ser 2	470.2	495.0	-	41612
Prop Ser 4	357.9	376.8	-	41613
Equity Ser 4	207.8	218.6	-	41614
Man Ser 4	640.8	673.7	-	41620
Fixed Int Ser 4	345.4	363.6	-	41615
Indexed Inv Ser 4	213.1	224.4	8	41616
American Ser 4	287.9	303.0	-	41617
Japan Ser 4	372.4	392.0	-	41619
European Ser 4	150.7	158.7	-	41622
High Inc Ser 4	641.3	675.1	-	41618
Money Ser 4	316.0	333.5	0.0	41621
Intl Ser 4	174.0	183.2	-	47021
Custodian Ser 4	163.1	171.7	0	47022
Asian Pacific	178.1	188.0	-	46208
Ethical	131.8	138.7	0	46208
Protected Growth	107.6	113.3	-	43465
Pension Funds				
Property	690.7	727.1	-	41623
Equity	1677.8	1113.5	-	41624
Selective	529.0	556.9	-	41625
Managed	1341.5	1412.2	-	41626
Security	580.9	723.1	-	41627
Fixed Int	523.8	551.4	-	41628
Indexed	310.2	326.5	0	41632
American	457.8	481.6	-	41630
Japan	422.3	444.9	-	41631
European	227.5	240.5	-	41629
High Income	194.7	205.0	0	46115
Ethical	195.8	206.3	-	46174
International	345.0	363.3	-	41633
Protected Growth	120.7	127.1	0	46209

Abbey National Life Plc
237 St Vincent Street, Glasgow 041 305 8000

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed	108.5	114.1	-	44577
UK Equity	108.8	114.6	-	44582
International	108.8	114.6	-	44583
Deposit	98.10	103.3	-	44584
Pension Managed	108.6	114.3	-	44585
Pension UK Equity	109.4	115.2	-	44586
Pension International	111.0	116.8	-	44587
Pension Deposit	99.20	104.5	-	44588

Acuma Life Assurance Ltd
The Gainy, Egham, Surrey TW2 9AT 0784 475333

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Fixed Interest	193.10	203.26	-	42158
Index Linked Secs	196.70	207.13	-	42159
UK Equity/UK Eq Inc	302.06	311.97	-	42160
Smll Cos/UK Eq Gwth	228.66	240.69	-	42161
Nth American	152.21	160.22	-	42164
Far Eastern	411.96	433.66	-	42163
European	198.65	209.10	-	42162
Managed	246.95	259.94	-	42165
World Growth	201.15	211.73	-	42166
Money	178.10	188.52	-	42167
Pen Fixed Interest	242.44	255.19	-	42175
Pen Index Lnkd Stks	210.65	221.73	-	42176
Pen UK Eq/UK Eq Inc	481.71	486.81	-	42170
Pen Sml Cos/UK Eq Gwth	302.85	318.78	-	42171
Pen Nth American	148.08	150.89	-	42174
Pen Far Eastern	624.80	657.58	-	42173
Pen European	196.75	206.82	-	42172
Pen Managed	332.11	349.58	-	42168
Pen World Growth	217.00	228.42	-	42169
Pen Money	199.29	209.77	-	42177

AEGON Life Assurance Co (UK) Ltd
AEGON Hse, Lanark Sq, London E14 9XS 071-538 8600
Life Series 2

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Aggressive Pfflio Fund	183.8	192.8	0	43555
Balanced Pfflio Fund	424.7	449.5	0	43556
Cautious Pfflio Fund	156.8	166.0	-	43557
Elite Fund	148.1	156.8	-	43558
European Fund	134.0	141.0	-	43559
Far East Fund	130.0	137.0	-	43560
Fixed Interest Fund	324.5	343.4	-	43561
International Fund	336.3	355.9	-	43562
Money Fund	242.2	256.4	-	43563
N. American Fund	217.4	230.1	-	43564
Property Fund	411.0	435.8	-	43565
UK Equity Fund	537.0	568.0	-	43566
Swiss Select Invs	85.6	91.0	-	43568
Swiss Global Fund	206.8	219.0	0	48170
Hardwick Tst Fund	102.2	108.6	-	47164
Perpetual Mngd Assets Fd	114.2	120.8	-	47777
Perpetual Mngd Fd	198.9	210.5	-	47781
With Profits Fd	131.6	139.3	-	47823
Pension Series 5				
Aggressive Pflio Fd	140.4	148.6	-	47824
Balanced Pflio Fd	133.8	141.3	-	47825
Cautious Pflio Fd	124.3	131.6	-	47834
Elite Fund	119.5	126.5	-	47835
European Fund	149.8	158.6	-	47836
Far East Fund	138.0	144.6	-	47837
Fixed Interest Fund	135.0	142.9	-	47838
International Fd	136.1	144.1	-	47839
Money Fund	114.1	120.8	-	47841
North American Fd	163.0	173.3	-	47842
Property Fund	106.7	113.0	-	47843
UK Equity Fd	134.5	142.4	-	47844
Perpetual Managed Ann Fd	88.6	93.8	-	47845
Perpetual Mngd Fd	154.8	163.8	-	47846
With Profits Fd	115.6	122.3	-	47850
Bldg Soc Growth Fd	115.4	122.2	-	43468

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ 0707 669000
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Brit Blue Chip Fd Acc(z)	217.5	228.9	-	41691
Equity Fd Acc(z)	1505.1	1584.2	-	41692
European Fd Acc(z)	337.7	355.4	-	41693
Intl Fxd Int Fd Acc(z)	323.9	340.9	-	41688
Gtd Money Fd Acc(z)	321.0	338.8	-	41695
High Income Fd Acc(z)	170.1	118.6	-	41696
Intl Man Fd Acc(z)	571.6	601.8	-	41697
Japan Fd(z)	188.1	198.0	-	41699
UK Smllr Co's Fd Acc(z)	156.0	164.2	-	41704
European Metro	174.9	184.1	-	47025
Global Metro	124.8	131.1	-	46634
Sunrise Metro	119.7	125.9	-	47026
UK Metro	141.8	149.2	-	46537
Nth American Fd Acc(z)	307.1	323.2	-	41700
Pen Basin Fd Acc(z)	270.4	284.6	-	41701
Prop Fd Acc(z)	381.6	402.0	-	41702
Millennium	141.1	148.4	-	47027
Multiple Inv Acc(z)	1001.6	1054.4	-	41703
Emerging Markets	101.6	106.9	-	-
Pension Funds				
Brit Blue Chip Acc(z)	264.0	278.0	-	41205
Eq Pen Fd Acc(z)	3212.6	3381.7	-	41706
Euro Fd Acc(z)	464.9	489.3	-	41707
Intl Fixed Int Acc(z)	645.7	679.8	-	41676
Fixed Int Acc(z)	1236.0	1299.9	-	41708
Gt Money Pn Acc(z)	687.5	702.8	-	41709
High Interest	242.8	256.8	-	46536
Intl Man Pn Fd Acc(z)	194.2	204.4	-	41710
Intl Man Fd(z)	923.1	971.7	-	41711
Jap Pen Fd Acc(z)	285.6	300.1	-	41712
UK Smllr Co's Fd Acc(z)	143.0	150.5	-	41718
Europa Metro	206.3	217.1	-	47028
Global Metro	132.1	139.2	-	46535
Sunrise Metro	209.2	220.2	-	47029
UK Metro	158.3	166.6	-	46536
N Am Pn Fd Acc(z)	396.3	417.1	-	41713
Pen Basin Fd Acc(z)	387.3	286.6	-	41714
Property Fd	704.7	741.8	-	41715
Middle Inv Pens Acc(z)	2214.9	2331.4	-	41717
Emerging Markets	103.1	108.4	-	-
Broker Funds				
YRA Strategy	162.6	171.1	-	41716
YRA Performance	155.2	163.3	-	47497

Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL 0793 514514
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Fixed Int. Dep. Acc.	358.6	377.8	-	41723
Equity Acc	1346.6	1410.6	-	41724
Property Acc	489.4	515.2	-	41725
Far East Acc	291.8	307.0	-	41726
European Acc	35.0	37.5	-	41727
Managed Acc	1009.1	1063.0	-	41728
O'seas Earnings Acc	880.6	943.8	-	41730
Gilt Edged Acc	472.3	497.2	-	41731
American Equity Acc	717.7	700.5	-	41732
American Man Acc	307.1	323.3	-	41733
American Prop Acc	114.0	121.0	-	41734
High Income Acc	31.3	32.0	-	46335
Distribution Bond	24.0	26.3	-	-
Gen 4				
Fixed Int Dep Acc	28.6	31.2	-	43125
Equity Acc	60.0	35.9	-	43126
Property Acc	23.1	24.4	-	40166
Far East Acc	33.5	35.3	-	43178
European Acc	30.4	32.0	-	43176
Managed Acc	34.4	36.3	-	43184
Overseas Acc	34.4	36.3	-	43148
Gilt Acc	36.2	38.2	-	45167
Am Equity Acc	35.1	37.8	-	43164
Am Managed Acc	32.9	34.7	-	43165
Am Property Acc	16.7	17.6	-	43177
High Income Acc	21.1	22.8	-	46336
High Income Ser 2	30.9	32.6	-	46337

Allied Dunbar Assurance Plc - Contd.
Pension Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
F.I Dep Acc	775.9	810.8	-	41738
Prop Acc	1122.7	1181.8	-	41739
Man. Acc	2480.4	2611.0	-	41740
Gilt Edg. Acc	826.6	870.2	-	41742
Eq. Acc	3093.3	3256.2	-	41744
Am. Eq Acc	328.2	345.5	-	41746
Far East Acc	433.6	456.5	-	41748
Euro. Acc	51.9	54.7	-	41750

American Life Insurance Co UK
2-8 Altyre Road, Croydon CR9 2LA 081-680 6000
Life Funds (Accumulation Units)

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Premier Managed	199.7	210.4	-	41769
Alpha Managed	132.8	139.7	-	41700
HCA Managed	132.7	139.4	-	41767
Pension Funds (Accumulation Units)				
Premier Managed	255.4	268.8	-	41770
Alpha Managed	146.4	157.3	-	41700

Barclays Life Assur. Co Ltd
252 Romford Road, London E7 081-534 5544
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Barclaybond	887.9	829.4	-	41773
Equity Accum	795.3	837.3	-	41775
Enterprise Accum	123.8	130.4	-	41244
Gilt-edged Accum	507.7	408.2	-	41776
International Accum	380.7	400.8	-	41777
Managed Accum	485.7	501.6	-	41774
Money Accum	280.6	295.4	-	41778
Property Accum	256.0	269.5	-	41779
American Accum	274.3	289.4	-	41780
Australia Accum	189.1	199.7	-	41781
Financial Accum	311.3	321.1	-	41782
"500" Accum	419.5	441.6	-	41783
Japan & Gen Accum	372.7	392.3	-	41785
Income Accum	486.0	524.3	-	41790
Universal Tec Accum	144.6	152.5	-	41789
Leisure Accum	204.0	214.0	-	41787
Spec Sits Fd Accum	216.1	229.0	-	41788
European Grwth Accum	250.4	263.4	-	41784
Smaller Co's Accum	124.8	131.1	-	41790
Pension Funds				
Equity Pns Accum	349.9	368.4	-	41793
Enterprise Accum	147.5	155.3	-	41245
Gilt-edged Pns Accum	638.8	672.5	-	41795
Intnl Pen Accum	203.3	214.8	-	41794
Managed Pen Accum	803.3	847.7	-	41792
Sec Grwth Pens Accum	516.4	537.3	-	41796
Property Pns Accum	208.4	218.3	-	41797
America Pens Accum	174.7	183.9	-	46376
Australia Pens Accum	116.0	124.3	-	46377
Financial Pens Accum	127.0	133.7	-	46314
"500" Pens Accum	148.9	156.8	-	46370
Japan & Gen Pens Accum	89.1	93.8	-	46378
Income Pens Accum	172.9	182.6	-	46371
Universl Tech Pens Accum	150.3	172.2	-	46380
Leisure Pens Accum	103.4	128.6	-	46375
Special Sits Price Accum	142.0	149.5	-	46373
European Gwth Pens Accum	205.4	216.3	-	46379
Smaller Cos Pens Accum	116.5	122.7	-	46372
Deposit Pens Accum			3.6	46471

Black Horse Life Assurance
Mountbatten Hse, Chatham, Kent 0634 834000
Life Funds-Series Two

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Invest Fd	465.64	490.15	-	41610
Income Fund	734.80	773.68	-	41799
Extra Income Fd	676.50	711.88	-	41800
Worldwide Growth Fd	470.28	501.90	-	41801
Balanced Fd	830.10	863.27	-	41802
Smlr Co's & Rcvy Fd	632.84	666.10	-	41803
Nth Amer & Gen Fd	369.67	389.13	-	41805
Pacific Basin Fd	398.99	419.99	-	41007
German Growth Fd	223.32	235.08	-	41008
Japan Growth Fd	186.90	196.80	-	41009
UK Growth Fd	195.67	209.13	-	41010
Cash Eur Gwth Fd	119.07	125.34	-	41611
Nth Amer S.C. & Rcvy	245.43	258.38	-	41612
Property Fd	350.92	369.39	-	41613
Fixed Interest Fd	314.04	330.57	-	41614
Cash Fd	273.30	287.69	-	41615
Life Funds-Series One				
Managed Inv Fd	468.13	492.77	-	41943
Income Fd	739.05	777.95	-	41956
Life Funds				
Managed Fd	765.01	765.02	-	41798
Abtrust MEG	452.48	476.30	-	41634
Pension Funds				
Managed Pen Fd	210.13	221.19	-	40192
Fixed Int Pen Fd	175.81	184.88	-	46193
Property Pen Fd	195.61	205.81	-	40194
Cash Pen Fd	173.61	182.65	-	46195
UK Equity Pen Fd	171.71	180.78	-	46108
Nth Amer Pen Fd	178.84	187.98	-	46197
European Pen Fd	184.07	185.76	-	46198
Far East Pen Fd	150.41	158.33	-	40189

Britannia Life Assurance
50 Bothwell Street, Glasgow G2 6HR 041-248 2000
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Measured Performance	154.9	183.9	-	42145
Performance Plus	151.8	160.6	-	42146
With Profit Perform	164.1	173.6	-	42147
UK Opportunity	178.9	180.0	-	42140
European Opportunity	197.4	208.6	-	42149
Nth American Bolt	151.5	160.3	-	42160
Far Eastern Opp	177.4	187.7	-	42151
Overseas	175.1	185.2	-	42152
Gwth Prp Ser 1 Mar 6	143.2	150.8	-	42153
Gwth Prp Ser 2	159.8	168.7	-	42154
Fixed Interest	183.3	193.0	-	42155
Cash	150.8	159.8	-	42150

Britannia Life Ltd
50 Bothwell Street, Glasgow G2 6HR 041-248 2000

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Equity Pen Acc	82.70	87.30	-	42248
Building Soc Pen Acc	46.20	48.80	-	42496
American Pen Acc	66.00	70.28	-	43094
European Pen Acc	38.10	38.20	-	44497
International Pen Acc	51.10	54.80	-	44773
Managed Pen Acc	40.00	48.20	-	44775

Canada Life Group
High St, Potters Bar, Herts, EN6 5BA 0707 651122
Individual Pension-Distribution

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Pen Fund	500.8	527.8	-	41861
Property Pen Fund	170.9	179.0	-	41862
Index-linked Pen Fd	161.9	202.2	-	41863
Series C Pension-(Accum Units)				
International Pens Fd	323.4	340.5	-	41864
Managed Pen Fd	343.7	361.9	-	41865
Property Pen Fd	240.2	291.3	-	41866
Index-linked Pen Fd	241.4	254.2	-	41867
Gilt & Fxd Int Pen Fd	313.7	330.3	-	41868
Equity Pen Fd	385.8	405.9	-	41869
High Sec Cash Pens Fd	170.1	179.1	-	46539
Series E Pension (Accum Units)				
International Pens Fd	173.1	182.3	-	46540
Managed Pens Fd	172.5	181.8	-	46541
Property Pens Fd	152.6	160.6	-	46542
Index-Linked Pens Fd	167.0	175.8	-	46543
Gilt & F.I Pens Fd	176.4	185.7	-	46544
Equity Pens Fd	169.5	178.5	-	46545
High Sec Cash Pens Fd	165.2	173.9	-	46546
Managed Funds				
Managed	313.5	330.1	-	41870
Property	208.6	219.5	-	41871
Gilt & Fxd Interest	242.5	255.4	-	41872
Equity	344.3	362.5	-	41873
Leading Companies	148.3	156.2	-	46729
Cash	210.8	221.7	-	41875
European Managed	339.5	357.4	-	41877
International	353.4	372.1	-	41878

Cannon Assurance Ltd (z)
1 Olympic Way, Wembley HA9 0NB 081-902 8876
2nd Series Life Accumulation

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Equity	613.4	649.1	-	41879
High Income	594.1	628.7	-	41880
Capital Growth	122.8	129.0	-	41880
Property	238.2	252.1	-	41881
Managed 2	181.6	192.2	-	41882
Managed	456.2	482.8	-	41883
Managed 4	221.4	234.3	-	41884
Deposit	271.3	287.1	-	41885
Gilt	305.3	323.1	-	41886
American	660.4	698.8	-	41887
International Money	254.6	269.4	-	41888
Index	205.1	217.8	-	41889
Far East	424.1	448.8	-	41890
Global	172.4	182.4	-	41891
European	151.1	158.9	-	41892
Japan	215.1	227.6	-	41893
Heritage Property	71.10	75.30	-	41894
Intl Currency Bond	161.2	110.8	-	41895
2nd Series Pension Accumulation				
Equity	1050.2	1111.3	-	41896
High Income	818.3	865.9	-	41897
Capital Growth	135.2	143.1	-	46227
Property	442.1	467.8	-	41898
Managed 2	223.0	235.9	-	41899
Managed	760.8	805.1	-	41900
Managed 4	250.4	265.0	-	41901
Deposit	511.8	541.6	-	41902
Gilt	522.0	552.4	-	41903
American	1235.5	1307.4	-	41904
International Money	443.1	468.9	-	41905
Index	248.7	261.1	-	41906
Far East	531.3	562.2	-	41907
Global	189.8	201.6	-	41908
European	170.5	180.5	-	41909
Japan	243.5	257.7	-	41910
Heritage Property	21.00	85.70	-	41911
Intl Currency Bond	187.7	198.8	-	41912
Other Funds				
Equity Units	£121.55		-	41916
Property Units	£28.01		-	41917
Balanced Bond/Exec	£64.14	67.87	-	41918

Century Life Plc
5 Old Bailey, London EC4M 7BA 071-332 5000
City Of Edinburgh Life Assurance
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Far East Emerg Econ	70.8	73.7	-	47033
Fund of Inv Tsts	54.6	69.1	-	47806
Money	170.2	170.2	-	41822
Special Situations	109.3	116.1	-	47808
UK Growth	166.8	175.5	-	47819
World Growth	167.2	176.0	-	47812
Pension Funds				
Fund of Inv Tsts	200.3	210.8	-	47807
Special Situations	197.8	176.7	-	47809
UK Growth	289.7	304.8	-	47811
World Growth	212.7	223.9	-	47813
UK Life Assurance				
Managed	129.1	135.9	-	44369
Property	173.6	183.7	-	44370
Equity	181.8	191.2	-	44371
International	149.7	148.1	-	44372
Fixed Interest	238.8	251.8	-	44373
Deposit	150.8	158.8	-	44374
Langham "A" Plan	138.4	145.7	-	44375
Langham Prop Bond	857.5	902.4	-	44376
Langham Wisp Managed	206.4	217.7	-	44377
Pension Funds				
Managed Capital	81.7	25.8	-	44378
Managed Accum	141.8	149.2	-	44379
Property Capital	128.0	132.7	-	44380
Property Accum	194.4	204.0	-	47827
Equity Capital	129.9	136.7	-	44381
Equity Accum	200.7	211.3	-	47824
Intl Capital	91.8	96.7	-	44382
Intl Accum	141.7	149.1	-	47826
Fxd Int Capital	187.5	197.4	-	44383
Fxd Int Accum	289.2	304.4	-	47825
Deposit Capital	121.9	128.3	-	44384
Deposit Accum	189.8	100.0	-	47823
Langham Harvest	398.1	418.1	-	44385
MIL Britannia Assurance Co				
Capital Growth	166.0	174.8	-	43035
Managed Income	134.5	141.6	-	43036
Managed Bldg Soc	135.9	143.1	-	47145
MIL Pensions Limited (Matchchoice)				
INVESCO MIM Mngd P'folio	109.1	114.5	-	43051
Do. Accum	168.7	177.6	-	43052
Cash Fund	122.7	129.1	-	43063
Do. Accum	190.0	200.0	-	43064
INVESCO MIM Exempt Mngd	154.8	162.9	-	43081
Do. Accum	239.8	252.4	-	43082
Century Life Assurance Company Ltd				
Life Funds				
UK Equity	259.7	273.8	-	41846
American Equity	171.6	181.1	-	41847
Far East Equity	204.2	215.4	-	41848
Managed Fund Acc	479.2	505.9	-	41849
International Equity	262.1	276.4	-	41850
Gilt Edged	302.5	319.1	-	41851
Money Fund	215.5	227.6	-	41852
Henderson	232.9	246.3	-	41853
Perpetual	325.4	343.3	-	41854
Property	172.9	182.4	-	41855
Smaller Cos	237.3	250.3	-	41856
Perpetual Europgrowth	205.8	217.1	-	41857
Pension Funds				
UK Equity	382.8	372.3	-	44591
American Equity	187.2	208.0	-	44592
Far East Equity	200.9	231.5	-	44593
Managed Fund Acc	636.4	670.4	-	44806
International Equity	308.0	325.0	-	44808
Gilt Edged	475.4	501.6	-	44816
Money Fund	221.2	338.6	-	44812
Henderson	253.6	267.5	-	44823
Perpetual	324.0	341.8	-	44666
Property	127.8	134.8	-	44701
Smaller Cos	163.1	172.1	-	44702
Perpetual Europgrowth	225.7	238.2	-	44703

Citibank Life
Perrymount Road, Haywards Heath 0444 414111
Managed

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Schroders Ser 1	370.2	389.7	-	41017
Schroders Ser 2	369.6	353.1	-	41827
Schroders Acc Ser 3	147.1	150.1	-	43358
Schroders Pens Accum	640.7	665.1	-	41830
Perpetual Ser 2	122.4	128.8	-	43470
Perpetual Pens Accum	117.8	124.0	-	43471
Framlington Ser 2	93.8	98.8	-	-
Framlington Pens Accum	54.0	25.8	-	-
Specialist				
Equity Ser 1	524.4	552.0	-	41820
Equity Ser 2	518.6	545.9	-	41829
Equity Acc Ser 3	146.4	153.5	-	43357
Equity Pens Accum	789.6	831.2	-	41834
American Ser 1	216.1	227.5	-	41822
European Ser 1	151.3	159.3	-	41824
Smaller Co's Ser 1	315.6	336.4	-	41821
Recovery Ser 1	192.7	202.0	-	43759
Property Ser 1	288.8	304.0	-	40019
Property Pens Accum	295.3	416.1	-	41832
International Gilt 1	423.2	431.8	-	41810
International Pens Accum	825.8	859.5	-	41838
Green Series 2	118.1	124.3	-	43567
Anglian Food	145.7	153.4	-	41844
Celebration Fund	158.3		-	41845
Stockmarket Bonus Life	96.5	101.6	-	43574
Stockmarket Bonus Pens	97.2	102.3	-	43605
Global Market Bonus Life	95.0	100.8	-	44704
Global Market Bonus Pens	93.3	193.0	-	44705

City of Westminster Assurance (z)
PO Box 469, 500 Avebury Blvd, Milton Keynes
Current Series

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Property Fund	177.2	150.6	-	41931
Secure Gwth Fund	360.0	392.7	-	41932
Managed Fund	567.4	618.4	-	41933
Overseas Fund	333.3	350.0	-	41934
Pension Managed Fund	680.4	716.3	-	41939
Pension Equity Fund	342.5	360.5	-	41940
Pens Adventurous Mgd	283.9	298.9	-	41944
Pensions Balanced Mgd	290.6	305.2	-	41945
Pens Conservative Mgd	250.6	263.8	-	41946
Adventurous Mngd Fd	183.2	203.4	-	41947
Balanced Mngd Fd	231.0	243.2	-	41948
Conservative Mngd Fd	238.9	251.5	-	41949

Clerical Medical/Fidelity Investments
Narrow Plain, Bristol BS2 0JH 0272 290566
Investment Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Ruby	158.4	166.8	-	47034
Sapphire/Mixed	275.3	289.8	-	41952
Emerald	143.6	151.2	-	47035
Equity	312.8	329.1	-	41953
Property	194.6	204.9	-	41954
Gilt & Fixed Interest	208.8	219.8	-	41955
Indexed Securities	169.3	178.3	-	41956
Cash	180.3	189.8	-	41957
North American	209.9	221.0	-	41958
Far East	284.8	299.8	-	41959
International	223.4	235.2	-	41960
Special Situations	302.4	318.4	-	41961
International Income	281.2	296.0	-	41962
American Income	183.6	192.5	-	41963
European	283.5	298.5	-	41964
South East Asia Fund	311.8	327.4	-	41965
Japan Fund	152.5	160.6	-	41866
Evergreen	119.0	124.3	-	46005
Tailored Performance Bond	99.2	104.8	-	43641
With Profits Reg	151.5	159.5	-	46305
With Profits Spec	151.5	159.5	-	46306
Flexible Retirement Plan				
Mixed	304.0	320.0	-	41967
Equity	355.5	374.3	-	41968
Property	177.7	187.1	-	41969
Gilt & Fixed Interest	256.8	270.4	-	41970
Indexed Linked	179.3	188.8	-	41971
Cash	237.4	249.8	-	41972
North American	265.7	279.7	-	41973
Far East	323.6	340.7	-	41674
International	285.2	300.3	-	41975
Special Situations	447.3	470.9	-	41976
European	392.8	413.3	-	41677
Executive Investment Pension Plan				
Cash Fd	291.0	307.3	-	41978
Mixed Fd	430.8	453.2	-	41070
Fixed Int Fd	324.3	341.4	-	41980
UK Equity Fd	582.7	582.4	-	41661
Property Fd	210.5	221.6	-	41982
Overseas Fd	211.8	328.1	-	41982
Index Linked Fd	195.6	206.2	-	41984
Stock Ex Fd	358.6	377.7	-	41985
Nth Am Fd	278.5	293.2	-	41986
Far East Fd	333.6	351.2	-	41987
Special Sits Fd	312.6	329.1	-	41988
Europ. Fd	392.8	413.5	-	41983

Clerical Medical Investment Group
Narrow Plain, Bristol BS2 0JH 0272-290566
Performance Pensions

Fund	Bid Price	Offer Price	Yield Gross	City-Line
With-Profits (Reg)	182.0	181.8	-	41990
With-Profits (Single)	161.2	190.9	-	41881
Mixed	241.9	254.7	-	41892
Index Linked	161.7	170.3	-	41993
Cash	174.8	184.0	-	41994
Special Situations	125.4	132.0	-	41995
International	181.3	187.2	-	41996
Gilt & Fixed Int	170.0	187.4	-	41997
Property	129.6	136.5	-	41998
UK Equity	224.1	235.8	-	41959
European	224.1	235.8	-	42000
North American	373.3	393.0	-	42061
Japan	142.5	150.0	-	42002
South East Asia	452.1	475.6	-	42003
Evergreen	125.2	131.8	-	42888

Colonial Mutual Group
Chatham Maritime, Kent ME4 4YY 0634 890000
CML (Unit Assurances)

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Ivy		220.07	-	42012
Pacemaker		304.55	-	42073
Cash	197.50	207.89	-	42014
Equity	513.79	540.83	-	43015
Fixed Interest	368.54	387.94	-	42016
Managed	372.92	392.55	-	42017
Property	320.70	337.58	-	42018
CML (Pension Annuities)-Rainbow Plans				
Cash Cap	206.42	217.50	-	42016
Cash Inv	290.18	305.44	-	42020
Equity Cap	139.15	147.80	-	42021
Equity Inv	198.67	207.60	-	42022
Fixed Int Cap	405.89	426.95	-	42023
Fixed Int Inv	570.11	600.13	-	42024
Index Link Cap	213.10	224.33	-	42025
Index Link Inv	299.53	315.32	-	42026
Managed Cap	560.10	589.65	-	42027
Managed Inv	787.30	828.83	-	42029
Unity Pensions Funds				
Managed	167.23	170.84	-	46755
Deposit	172.29	181.38	-	46757

Combined Life Assurance Co
15 Wheatfield Way, Kingston upon Thames, Surrey KT1 2PA 081-546 7733

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Fund (Cap)	101.6	201.6	-	42029
Managed Fund (Acc)	238.0	251.3	-	42030
Managed Pens Fd (Cap)	254.9	267.3	-	42031
Managed Pens Fd (Acc)	343.7	361.7	-	42032

Commercial Union Group
St Helen's, 1 Undershaft, London EC3 071-283 7500

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Var Ann Oct 15		90.8	-	42033
Var (Acc) Oct 9		667.45	-	42034
Life With Profits	109.9	115.7	-	47654
Pens With Profits	177.7	187.1	-	47036
Prime Series-Life				
Managed	385.7	406.1	-	42035
Reserve Managed	160.4	168.6	-	42036
Venture Managed	166.2	175.0	-	42037
UK Equity	461.8	485.3	-	42038
Intl Equity	295.8	311.4	-	42039
Property	200.7	211.3	-	42040
Fixed Interest	246.1	259.1	-	42041
Index Lkd Gilt	170.0	187.4	-	42042
Cash	197.9	208.4	-	42043
Investment Tst	367.9	369.5	-	42044
U/T High Yield	199.2	209.7	-	42045
U/T UK General	168.8	177.7	-	42046
U/T worldwide Growth	132.4	136.4	-	42047
U/T Smaller Cos	92.3	97.2	-	42048
U/T Nth America Fd	195.8	206.2	-	42049
U/T Europe Fd	199.5	210.0	-	42050
U/T Far East Gth Fd	203.1	213.8	-	42051
U/T Global Bo Fd	170.2	179.2	-	42052
Prime Series-Pensions				
Managed	587.4	618.4	-	42054
Reserve Managed	185.1	194.9	-	46454
Venture Managed	175.5	184.8	-	46455
UK Equity	773.8	818.7	-	42055
Intl Equity	382.0	402.2	-	42056
Property	249.2	262.4	-	42057
Fixed Interest	304.5	320.6	-	42058
Index Lkd Gilt	194.9	205.2	-	42059
Secure Growth	244.8	257.7	-	42090
Investment Tst	322.0	339.0	-	46459
Building Society Fd	157.3	165.5	-	46458

Consolidated Life Assurance Co Ltd
Paradise Rd, Richmond, Surrey TW9 1SQ 081-940 8243

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Equity	119.0	126.7	-	40296
International	146.6	154.7	-	40297
Managed	127.4	150.2	-	40299

Crown Financial Management Ltd
Crown Hse, Woking GU21 1XW 0483 715033
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
American Acc	123.8	130.5	-	42099
Equity Acc	784.3	825.4	-	42100
European Acc	138.5	145.8	-	42101
Fixed Interest Acc	388.3	397.6	-	42102
High Income Acc	764.7	804.9	-	42103
Intl Acc	491.3	517.1	-	42104
Inv Trust Acc	758.9	798.7	-	42105
Japanese Acc	272.8	287.1	-	42106
Managed Acc	571.1	601.1	-	42107
Money Acc	292.4	307.7	-	42108
Property Acc	225.0	236.8	-	42189
Individual Pension Funds(z)				
American	141.2	148.6	-	43110
Building Society	198.1	208.4	-	46701
Equity	950.0	999.9	-	42111
European	335.4	353.0	-	42112
Fixed Interest	428.7	451.2	-	42113
International	253.0	266.3	-	42114
Investment Trust	403.8	425.0	-	42115
Japanese	280.7	295.4	-	42116
Managed	581.8	612.4	-	42117
Money	359.3	378.2	-	42118
Property	146.5	154.2	-	42119
Group Pension Funds(z)				
American	153.4	150.9	-	42120
Equity	1043.7	1087.7	-	42121
European	361.5	374.6	-	42122
Fixed Interest	490.6	510.4	-	42123
International	273.0	282.8	-	42124
Investment Trust	439.3	455.2	-	42125
Japanese	300.5	311.3	-	42126
Mixed	841.1	877.7	-	42127
Money	487.6	505.4	-	42128
Property	150.3	164.8	-	42129
Other Funds(z)				
Brewin Equity	676.4	712.0	-	42133
Crown Brit Inv A	1138.3	-	-	42164
Heritage	362.8	381.8	-	42136
PE Coronet	427.4	449.8	-	42141

Eagle Star Life Assurance Co Ltd
Bath Road, Cheltenham GL53 7LQ 0242 221 311

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Secure Fund	169.0	177.9	-	42178
Blue Chip Fund	233.0	245.3	-	42179
Performance Fund	240.8	253.5	-	42180
Adventurous Fund	200.9	211.8	-	42181
Blue Chip Fd (2nd Series)	150.1	158.0	-	43150
Performance Fd (2nd Ser)	166.4	184.1	-	43648
Adventurous Fd (2nd Ser)	151.4	159.4	-	43128
UK Pref & Fixed Int Fd	144.7	152.4	-	43649
UK Equity Fund	150.2	158.2	-	43648
Property Fund	105.0	110.6	-	40162
Environmental Opps Fd	145.0	155.6	-	43133
European Fund	163.4	172.0	-	43134
North American Fd	185.3	195.2	-	42160
Oriental Opps Fund	187.6	195.9	-	43161
Japanese Fund	130.7	137.6	-	43159
With Profits	117.4	123.5	-	45457
Bristol & West Life Fd	117.1	125.3	-	40131
Pensions Secure	191.8	202.1	-	42186
Pensions Blue Chip	213.3	224.8	-	42188
Pensions Performance	174.1	188.3	-	42184
Pensions Adventurous	147.7	155.5	-	42185
Pensions With Profits	130.2	137.1	-	42180
Price UK Pref & Fxd Int	144.1	151.7	-	44712
Price UK Equity	167.0	171.1	-	44300
Pens Property	105.1	110.7	-	44298
Pens Environmental Opps	163.1	171.7	-	44299
Pens European	174.8	184.0	-	44275
Price Nth American	185.2	128.0	-	44282
Pens Oriental Opps	198.0	208.5	-	44293
Pens Japanese	145.2	152.9	-	44281
Pens Unitised With Profits	202.8	213.5	-	44298
Bristol & West Pens Fd	128.7	135.5	-	44048

Eagle Star Insur./Midland Assur.
66 St. Mary Axe, London EC3 071-929 1111

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Eagle/Mid. Units	258.6	265.9	3.44	42187

Equitable Life Assurance Society
Walton St, Aylesbury Bucks HP21 7QW 0296 393166
Assurance Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
European	153.5	161.6	-	42198
Far Eastern	477.8	502.9	-	42199
Fd of Inv Tsts	341.0	358.9	-	42200
Gilt & Fixed Int	222.7	234.4	-	42201
High Income	351.2	369.7	-	42202
Intl Growth	206.2	217.1	-	42203
Managed	234.8	246.9	-	42204
Money	176.8	154.2	-	42205
North American	222.3	234.0	-	42206
Pelican	264.4	278.3	-	42207
Property	172.1	181.2	-	42208
Smaller Companies	147.8	166.4	-	44078
Special Sits	215.7	227.1	-	42209
Pension Funds				
European	155.3	163.5	-	42211
Far Eastern	580.0	600.8	-	42212
Fd. of Inv. Tsts	408.1	430.4	-	42213
Gilt & Fixed Int	236.4	248.8	-	42214
High Income	430.0	462.1	-	42215
International Growth	225.7	237.6	-	42216
Managed	284.4	299.4	-	42217
Money	233.1	245.4	-	42218
North American	240.3	252.9	-	42219
Pelican	302.5	318.4	-	42220
Property	186.2	196.1	-	42221
Smaller Companies	161.9	170.4	-	44648
Special Sit	233.8	246.1	-	42222

Eurolife Assurance Company Ltd
Eurolife Hse, 16 St John St, EC1M 4AY 071-454 0186

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Int Man Pension Fd	192.8	202.8	-	43369
Intl Man Crncy Bd Fd	201.0		-	43370
Int Man Crncy Bd Fd(G)	180.0		-	43371
Flexible Prop. 35. Fd	233.60		-	43372
Flexible Money Bd Fd	482.30		-	43373
Intl Discretionary	258.1		-	43374
Building Society	-	-	6.87	47329

Family Assurance Friendly Society Ltd
17 West St, Brighton BN1 2RL 0273 724570

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Family A Managed	747.34	782.80	-	42251
Family A Managed Ser 2	77.72	78.30	-	47043
Family B Managed	626.86	640.87	-	42252
Family B Managed Ser 2	86.86	86.82	-	47044
Family C Brit			-	42253
Family C Brit Ser 2	67.80	25.61	-	47134
Family D Fixed Int	277.34	365.24	-	42254
Family D Fxd Int Ser 2	76.44	76.08	-	47045
Family Capital Mngd	411.84	420.24	-	42255
Fmly Capital Mngd Ser 2	93.37	84.88	-	47046
MIM Britannia 2nd Fd	225.63	240.46	-	46213
MIM Brit 2nd Ser 2 Fd	79.38	81.00	-	47047
Family Growth Series 1	208.48	210.08	-	42256
Family Growth Series 2	106.88	114.61	-	42257
Fmly Concentrated Gth	144.97	152.70	-	42259
Family Performance Fd	126.10	132.79	-	42260
Family Safety First Fd	77.84	77.84	-	47048
Friendly Pension	82.11	81.43	-	47498
Pensions Managed	88.29	71.88	-	44883
Pensions Safety First	62.31	63.81	-	44884
Sovereign Ser 1	78.29	82.45	-	44568
Sovereign Ser 3	78.50	79.09	-	43854
Building Societies	218.98	218.98	-	40905
Cheshire B/Soc	145.30	145.30	-	40330
Kent Reliance B/Soc	133.80	133.80	-	41052
Cathedral B/Soc	138.34	138.34	-	41054
Alliance B/Soc Ser II	72.84	72.84	-	41055
St Andrews Money Master	285.00	285.88	-	47994
Mngd Moneywise Inv	176.81	187.89	-	-
Countdown Equity	64.20	67.08	-	43857
Countdown Fixed Interest	51.32	54.02	-	43858

Friends Provident
Castle Street, Salisbury, Wilts SP1 3SH 0722 413366
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed (Mixed)	290.1	305.4	-	42265
UK Equity	386.8	407.0	-	42266
Stewardship	331.8	349.0	-	42267
Overseas Equity	261.4	275.2	-	42268
North American	140.4	142.8	-	42269
Pacific Basin	149.8	157.7	-	42270
European	188.9	198.9	-	42271
Property	187.6	187.7	-	42272
Fixed Interest	232.4	244.7	-	42273
Index Linked	168.7	177.6	-	42274
Cash	192.9	203.1	-	42275
Deposit	130.8	137.7	-	47047
With Profit	167.5	176.4	-	41209
With Profit Ser 2	110.6	116.5	-	40065
Pension Funds (Accum Units)				
Managed (Mixed)	356.3	375.1	-	42276
UK Equity	458.1	482.3	-	42277
Stewardship	555.7	585.0	-	42278
Overseas Equity	316.4	332.0	-	42279
North American	152.4	160.5	-	42280
Pacific Basin	157.4	165.7	-	42281
European	182.4	192.1	-	42282
Property	202.5	213.2	-	42283
Fixed Interest	326.1	343.3	-	42284
Index Linked	192.2	202.3	-	42285
Cash	271.1	285.4	-	42286
Deposit	164.5	173.2	-	46702
With Profit	202.4	213.1	-	41251
UK Provident Funds				
Managed	210.2	221.2	-	44386
Pens Managed	236.2	248.6	-	44394

GT Unit Managers Ltd
125 London Wall, London EC2Y 5AS 071-710 4567

Fund	Bid Price	Offer Price	Yield Gross	City-Line
GT Pion Far East Pen	340.5	358.5	-	42289
GT Pin Wrldwde Pen	497.8	524.0	-	42292
GT Fxd Far East Fd	567.8	597.7	-	42295
GT Pen Worldwide Fd	832.7	868.1	-	42296

General Accident
2 Rougier Street, York YO1 1HR 0904 628982

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed	196.0	206.2	-	42300
Unitised With-Profit	125.2	131.8	-	42301
UK Equity	294.3	278.1	-	42301
Fixed Interest	197.8	207.0	-	42302
Index-Linked	170.0	178.6	-	42303
Cash Deposit	168.7	177.5	-	42304
Property	188.8	174.6	-	42305
International	176.8	185.8	-	42306
American	151.2	150.8	-	42307
Japan	258.0	271.4	-	42308
Japan Smaller Co's	284.5	278.4	-	42309
European	169.2	178.0	-	42310
Pacific	243.6	256.4	-	42311
Convertibles	134.6	141.6	-	46707
Pen Man Acc	285.0	298.4	-	42312
Pen UK Equity Acc	370.1	389.9	-	42313
Pen Fixed Int Acc	238.2	288.7	-	42314
Pen Ind-Linked Acc	200.4	218.8	-	42315
Pen Cash Dep Acc	220.1	251.6	-	42316
Pen Prop Acc	186.4	208.7	-	42317
Pen Inter Acc	204.9	215.6	-	42318
Pen American Acc	178.6	184.0	-	42319
Pen Japan Acc	283.6	277.9	-	42320
Pen Jap Ser Co's Acc	306.7	322.7	-	42321
Pen European Acc	191.5	201.5	-	42322
Pens Pacific	283.8	298.6	-	42323
Pen Convertibles Acc	143.6	151.2	-	46303
Pen Bldg Soc Acc	163.1	171.6	-	46457
Pen Unsd With-Prof Acc	172.5	181.5	-	46488
Pen All-Share Tracker	188.1	189.5	-	46703

General Portfolio Life Insce Plc
General Portfolio House, Harlow, Essex 0279 626262
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Japan	94.0	188.8	-	-
Pacific	101.0	106.4	-	-
Protected Equity	96.2	101.4	-	-
Portfolio Fd Acc	688.0	620.0	-	42338
Portfolio Inv A	687.9	724.2	-	42339
UK Equity	389.7	410.3	-	42340
Far Eastern	251.7	255.0	-	42342
European	167.3	307.8	-	42344
North American	204.5	215.4	-	42345
Gilt Plus	210.6	222.1	-	42346
Sterling	178.0	187.4	-	42348
Property	224.5	236.5	-	42349
Managed	301.3	317.3	-	42351
Int. Managed	270.1	284.5	-	42352
Framlington	198.9	209.3	-	42354
Perpetual	218.7	229.8	-	42355
Fidelity	211.1	223.0	-	42356
N.M. Rothschild	164.3	173.1	-	42358
Foreign & Colonial	189.2	167.2	-	42362
Stewart Ivory	148.2	156.1	-	46482
CS Fellowship Series 2	129.7	136.8	-	46663
Multi-Select Series 1	205.5	215.0	-	41951
Saving	121.1	127.0	-	42140
Global Fixed Interest	126.0	132.4	-	46207
Max Inc Acc (net CAR)	1028.1	1029.1	5.00	43664
Max Inc Acc £50,000+	1029.2	1029.2	5.21	43665
Pension Funds				
Pen Japan	95.0	100.1	-	-
Pen Pacific	101.1	106.5	-	-
Pen Protected Equity	96.7	101.9	-	-
Pen UK Equity	532.5	580.7	-	42364
Pen Far Eastern	337.8	355.6	-	42367
Pen European	240.8	253.8	-	42363
Pen North American	249.3	262.6	-	42369
Pen Gilt Plus	281.7	296.6	-	42370
Pen Sterling	244.7	257.7	-	42372
Pen Property	297.3	313.1	-	42373
Pen Managed	412.5	434.8	-	42375
Pen Int Managed	357.2	374.6	-	42376
Pen Framlington	241.8	254.4	-	42378
Pen Perpetual	263.7	277.7	-	42379
Pen Fidelity	250.2	263.4	-	42380
Pen N. M. Rothschild	188.2	198.2	-	42381
Pen Foreign & Colonial	181.4	191.8	-	42385
Pen Stewart Ivory	168.5	177.5	-	46482
Pen CS Fellowship Ser 2	137.6	145.2	-	43682
Pen Multi-Series 1	274.7	289.2	-	42383
Pen Saving	125.5	132.2	-	42350
Pen Global Fixed Int	134.3	141.4	-	40808

Assicurazioni GENERALI SpA
117 Fenchurch St, London EC3M 5DY 071-488 0733

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Hambro GeneraliAGm	194.6	204.9	-	42324
Hambro General Ppty	157.1	165.4	-	42325
Hambros Canadian	220.6	232.3	-	42326
Hambros Equity Inc	152.6	160.7	-	42327
Hambros European	174.8	184.1	-	42328
Hambros Jpd & Far East	161.7	101.3	-	42330
Hambros Nth American	210.6	221.9	-	42331
Hambros Scandinavian	208.1	219.1	-	42333
Hambros Smaller Cos	152.8	160.9	-	42334
Generali Intnl Managed	503.8	513.2	-	42335
Generali Int Mgd Pens	278.0	290.6	-	42336
Generali Cash	188.1	198.1	-	42337
Income Bond With Variable Capital Value				
Lifetime Inc Bd Oct 7	165.95	175.08	8.72	43687

Growth & Sec. Life Assce. Soc. Ltd
Mid Green Rd, Haywards Hth, W. Sussex 0444 413307

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Flexible Finance		310.77	-	42433
Landbank Secs		97.93	-	42434
Landbank Secs Acc	451.58	463.16	-	42435
G. & S. Super Fd		26.0708	-	42436

Guardian Royal Exchange
Royal Exchange, EC3 071-283 7101
Guardian Assurance

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Property Bonds	687.2	695.0	-	42437
Choices With-Pfts Lp-Gn	150.8	158.8	-	46080
Choices With-Pfts St-Inv	139.6	146.9	-	46081
Choices Managed	205.8	216.6	-	46082
Choices Equity	205.6	215.8	-	46083
Freedom With Pfts Lp-Inv	119.4	125.7	-	47972
Freedom With Pfts Sing-Inv	117.3	123.4	-	47970
Freedom Managed	127.9	134.2	-	47969
Freedom Equity	119.0	125.3	-	47964
GRE Linked Life Assurance Ltd				
Managed Initial	455.0	479.0	-	42423
Do. Accum	632.2	665.5	-	42433
Equity Initial	656.7	691.2	-	42440
Do. Accum	912.3	960.3	-	42441
Fixed Interest Acc	625.5	658.4	-	42442
International Acc	526.0	559.0	-	42443
Nth American Acc	227.6	239.6	-	42445
Pacific Acc	302.3	318.2	-	42451
European Acc	109.3	115.0	-	42453
Property Acc	213.6	224.8	-	42189
Index-Linked Acc	211.1	222.2	-	42455
Deposit Accum	270.1	284.4	-	42457
GRE Pensions Management Ltd				
Pens. Managed Initial	544.7	573.3	-	42458
Pens. Managed Acc	740.2	778.5	-	42459
Pens. Equity Initial	742.4	781.5	-	42460
Pens. Equity Acc	1506.1	1281.2	-	42461

Hearts of Oak Insurance Group
Hearts of Oak House, 9 Princes Rd West, Leicester LE1 6TH 0533 549010
HOBS Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Property	55.5	57.8	-	42472
Managed	313.8	330.3	-	42473
Tax Exempt	158.6	166.1	-	42475
Nova Mixed	124.7	132.5	-	42398
Nova Property Series 2	89.4	105.8	-	42363
Nova European	128.2	136.8	-	42357
Nova Gilt Edged	102.2	109.4	-	42358
Nova With Profits	103.8	110.7	-	43602
A A Fund	236.9	249.9	-	41607
LAMMAS Life Funds				
Equity	183.0	194.4	-	42785
Equity Series 2	66.4	70.5	-	47055
International	66.6	70.7	-	47053
Deposit	73.6	78.1	-	47054
HOBS Pension Funds				
Property Pension	55.5	57.6	-	46381
Pension Managed	246.6	259.6	-	42474
P.P. Managed	161.6	170.3	-	46382
App Managed	79.4	86.6	-	46383

Henderson Administration(z)
3 Finsbury Ave, London, EC2 M2PA 071-638 5757

Fund	Bid Price	Offer Price	Yield Gross	City-Line
UK Equity	398.8	390.3	-	42478
Fixed Interest	72.4	77.1	-	42477
N. America	338.2	359.8	-	42482
Far East	593.6	631.8	-	42483
Global Managed	452.5	481.4	-	42484
Deposit	221.8	233.3	-	42485
Prime Res	126.6	132.7	-	42486
European	244.9	260.6	-	42488
Pension Funds				
UK Equity	401.2	480.8	-	42493
Fixed Interest	298.7	315.7	-	42494
Special Sits	272.6	286.7	-	42495
N American	234.3	246.3	-	42496
Far East	502.0	534.1	-	42497
Managed	478.9	435.1	-	42498
Deposit	276.4	291.8	-	42500
European Pension Fund	297.7	316.6	-	42501

Hill Samuel Life Assur. Ltd
NLA Tower, Addiscombe Rd, Croydon 081-686 4355

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Security Fund	489.2	617.7	-	42502
British Fund	484.8	823.8	-	42503
International Fund	487.8	515.4	-	42504
Dollar Fund	358.6	377.4	-	42505
Capital Fund	442.5	466.3	-	42506
Income Fund	677.3	718.6	-	42507
Property Series A	395.9	415.8	0.5	42508
Property Series 9	642.4	674.6	-	42509
Financial Fund	563.7	580.0	-	42510
Managed Series A	515.6	545.6	-	42511
Managed Series B	822.0	870.0	-	42513
High Yield Fund	653.6	691.7	-	42514
Money Series A	317.9	334.6	-	42515
Money Units	306.2	322.0	-	42516
Equity Fund	582.7	618.7	-	42517
Fixed Intl Fund	383.0	405.3	-	42518
Indexed Sec. Fd	187.6	198.6	-	42518
European Fund	685.1	722.8	-	42536
Natural Resrc. Fd	258.4	273.8	-	42521
Far East Fund	611.3	646.9	-	42522
Smaller Cos	459.4	483.0	-	42523
Spec. Sits Pens	430.5	455.6	-	42524
Mngd Crncy Fund	252.7	267.5	-	42525
Japan Tech	264.2	278.8	-	42526
Global Bond Fund	167.6	177.3	-	42527
UK Smaller Co's	229.8	243.2	-	42528
Pension Fund Prices				
Property Acc	621.6	653.7	-	42529
Property Ser A	302.7	318.7	-	42530
Property Ser B	186.6	193.3	-	42532
Managed Acc	1228.9	1292.6	-	42533
Managed Cap	732.1	710.7	-	42534
Managed Ser A	329.7	347.1	-	42535
Managed Ser B	146.7	154.3	-	42536
Managed Ser C	240.2	252.8	-	42538
Guaranteed Acc	336.3	354.8	-	42539
Guaranteed Ser A	232.7	245.0	-	42541
Guaranteed Ser B	127.4	133.8	-	42542
Equity Acc	1261.6	1108.4	-	42544
Equity Ser A	344.9	363.1	-	42545
Equity Ser B	139.8	139.6	-	42547
Fixed Int Acc	692.0	688.8	-	42548
Fixed Int Ser A	283.8	288.9	-	42549
Fixed Int Ser B	131.9	138.9	-	42552
Indexed Secs Acc	226.0	237.8	-	42554
Indexed Secs Ser A	211.7	222.9	-	42556
Indexed Secs Ser B	131.7	138.7	-	42557
Intl. Ser A	317.8	334.4	-	42559
Intl. Ser B	149.6	158.4	-	42560
Dollar Ser A	242.0	254.6	-	42562
Dollar Ser B	155.7	163.9	-	42565
European Ser A	392.4	441.6	-	42566
European Ser B	180.0	173.7	-	42567
Far East Ser A	324.1	341.2	-	42568
Far East Ser B	131.9	136.8	-	42569
Man Curr Ser A	220.4	232.0	-	42571
Man Curr Ser B	111.9	117.8	-	42572
Building Soc Ser A	269.3	200.9	-	42574
Building Soc Ser B	130.8	137.0	-	42575
Smaller Co's Ser A	126.1	126.0	-	42577
Smaller Co's Ser B	90.0	94.7	-	42578

Homeowners Friendly Society
PO Box 94, Springfield Ave, Harrogate 0423 567355

Fund	Bid Price	Offer Price	Yield Gross	City-Line
HFS Managed Fd 3	179.8	189.3	-	42587
HFS Tax Exempt Mngd Fd 3	195.4	206.1	-	43384
HFS Green Chip	142.1	148.6	-	47815
HFS Tax Ex Green Chip	134.9	142.0	-	40280
Master Fund Exempt	194.4	131.6	-	46128
Green Chip (2) Exempt	122.1	128.6	-	45744
MIM Rupert Exempt	184.6	178.4	-	46131
Master Fund	118.5	125.8	-	46078
Green Chip (2)	129.6	136.6	-	46470
UK Managed	117.7	123.8	-	46727
Retirement	121.8	128.0	-	46731
Far Eastern Exempt	173.4	164.7	-	43665
Gt British Cos Exempt	117.5	163.7	-	43701
Solid Growth Fd	101.2	106.5	-	43713
MarketMaster Managed Savings Plan				
HFS Managed Fd 1	181.0	189.3	-	42586
HFS Tax Exempt Mgd Fd 1	174.4	185.9	-	40365

Ideal Insurance Co Ltd
Moor Green Lane, Birmingham B13 8NG 021-449 4101

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Fd	101.1	196.7	-	46706
Pensions Managed	155.1	162.9	-	47800

Irish Life Assurance Co Plc
Victoria St, St Albans, Herts AL1 5TF 0727 848121

Global Mngd Ser 3; Global Equity Ser 3; Global Fxd Int Ser 3; Global Prop Ser 3; Global Cash Ser 3; Global Mngd Ser 4; Global Equity Ser 4; Global Fxd Int Ser 4; Global Prop Ser 4; Global Cash Ser 4; Universal Security; Universal Balanced; Universal Growth; Universal UK Equity; Universal Euro Equity; Universal N. Amer; Universal Japanese; Universal Pacific; Univ Intl Spec Sit; Univ Intl Fxd Int; Universal Property; Universal Cash; Universal Guaranteed Managed; Universal Guaranteed Ser 2; Managed Pen Ser 2; Equity Pen Series 2; Gilt Edged Pen. Ser 2; Property Pen Ser 2; Cash Pension Series 2; Security Man Pen Ser 3/4; Bal Man Pen Ser 3/4; Opp Man Pen Ser 3/4; UK Equity Pen Ser 3/4; Intl Equity Pen Ser 3/4; Fixed Int Pen Ser 3/4; Property Pen Ser 3/4; Deposit Pen Ser 3/4; European Pen Ser 3/4 — prices [illegible]

Lancashire & Yorkshire Assce Society
Moorgate Hse, Moorgate Rd, Rotherham 0709-829191

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Capital Secure	247.34	252.39	-	42710
Balanced Portfolio	176.35	179.90	-	42716
Land Builder	115.48	118.84	-	42720
Investor	168.48	171.92	-	47068
Capital Builder	75.54	78.50	-	44526

Laurentian Life plc
Barnwood, Gloucester GL4 7RZ 0452 371371
Life Funds

Managed Ser 3 Acc; Property Ser 3 Acc; American Ser 3 Acc; High Yield Ser 1 Acc; Gilt-Edge Ser 3 Acc; Money Ser 3 Acc; International Ser 3 Acc; UK Equity Acc; Japan Acc; Index Link Gilt Acc; Henderson Acc; Perpetual Acc; Growth Ser 3 acc; European; Far East; Pension Funds: Managed Retirement Acc; Pens Property Acc; Pens Gilt-Edge Acc; Pens Index Link Acc; Pens Money Mkt Acc; Pens UK Equity Acc; Pens International Acc; Henderson Pens Acc; Perpetual Pens Acc; Woolwich Acc; formerly Imperial Life Assurance Co Ltd — Growth, Managed, Fixed Interest, Gtd Cash Capital, Equity, Property; Pension Funds — Pens Man Ser 1 Acc (478.0, 619.4, 42620), Pens Man Ser 3 Acc (478.0, 503.0, 42621); formerly Imperial Life (IBO) — Managed Acc, Gilt-Edge Acc, Property Acc, High Yield Acc, Money Mkt Acc, Intl Equity Acc, NB Acumen Acc; formerly Trident Life — Equity Ser 2 Acc, Gtd Managed Acc; Pension Funds — Pens Equity, Fixed Managed, Pens Gilt-Edge, Pens Deposit, Pens Property, Swiss Bond — prices [illegible]

Legal & General
Unit Assurance
2, Montefiore Road, Hove, BN3 1SE 0273 824000

British Opps Accum; Bldg Soc Lkd Accum; Cash Accum; Equity Accum; European Accum; Fixed Accum; Index-Linked Accum; International Accum; Managed Accum; Nth American Accum; Pacific Accum; Property Accum; Worldwide Cptd Accum; Unit Pensions — prices [illegible]

Liberty Life Assurance Co Ltd
Station Rd, New Barnet 081-440 8210

Life Association of Scotland
113 Dundas St, Edinburgh EH3 5DB 031-550 5000
LAS Investment Assurance

Lifetime Assurance Co Ltd
Bank Hse, St Johns Rd, Harrow HA1 2EE 081-861 8989

London Life
100 Temple St, Bristol BS1 6EA 0272-279179
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Equity		809.70	-	42788
Fixed Interest		412.10	-	42789
Property		349.20	-	42790
Deposit		281.00	-	42791
Mixed		557.80	-	42792
Index Stock		215.80	-	42793
International		278.80	-	42794
Equity (A)		302.20	-	42795
Fixed Interest (A)		183.20	-	42796
Property (A)		159.80	-	42797
Deposit (A)		165.90	-	42798
Mixed (A)		187.00	-	42799
Index Stock (A)		169.20	-	42800
International (A)		174.50	-	42801
Pension Funds				
Equity (P)		716.30	-	42802
Fixed Interest (P)		334.30	-	42803
Property (P)		277.30	-	42804
Deposits (P)		327.28	-	42805
Mixed (P)		520.70	-	42806
Index Stock (P)		245.80	-	42807
International (P)		321.80	-	42808
Equity (s/t)	158.20	167.70	-	41606
Fixed Interest (s/t)	170.90	180.30	-	41913
Property (s/t)	120.30	126.70	-	41821
Deposit (s/t)	165.60	174.40	-	41843
Mixed (s/t)	160.30	168.90	-	41920
Indexed Stock (s/t)	165.90	174.70	-	41919
International (s/t)	165.70	174.50	-	41915

London & Manchester Assurance (z)
Winslade Pk, Exeter EX5 1DS 0392 282458
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Unit With Profits Cap		113.4	-	42822
Unit With Profits Acc		132.0	-	47008
Flexible Cap		348.9	-	42966
Flexible Acc		542.8	-	42818
Investment Trust Cap		580.0	-	42374
Investment Trusts Acc		851.6	-	42810
Moneymaster Acc		427.6	-	42820
Capital Growth Acc		1891.0	-	42821
Exempt Pension Funds				
Unit With Profits Cap		125.6	-	43706
Unit With Profits Acc		148.5	-	47007
Flexible Sep		467.1	-	43794
Flexible Acc		1040.6	-	42829
Investment Trust Cap		1258.4	-	43073
Investment Tst Acc		2158.6	-	42822

M & G Life and M & G Pensions
Victoria Road, Chelmsford, CM1 1FB 0245 266266

Amer Bond (Acc); Amer Rec Bond (Acc); Amer Smlr Co Bd (Acc); Australasian 25 (Acc); Capital Gth Bond (Acc); Commodity Bond (Acc); Deposit Bond (Acc); Equity Bond (Acc); Equity Bond Bonus; European Bond (Acc); European Div Bond (Acc); Extra Yld Bd (Acc); Far Eastern Bond (Acc); Gilt Bond (Acc); Gold Bond (Acc); High Yield Bond (Acc); Index-Linked Gilts(Acc); Intnl Bond (Acc); Intnl Inc Bond (Acc); Japan Bond (Acc); Japan Smaller Co Bd (Acc); Managed Bond (Acc); Managed Income Bond; Property Bond (Acc); Recovery Bond (Acc); Smaller Co's Bond; Pension Funds — prices [illegible]

MGM Assurance (z)
MGM House, Heene Rd, Worthing 0903 204631

Manchester Unity Assurance
40 Fountain Street, Manchester M2 2AB 061-832 8361

Manulife Group
St George's Way, Stevenage Enquiries 0438 356101

Merchant Investors Assurance Co Ltd
St Bartholomew's House, Lewins Mead, Bristol BS1 2NH
For policies starting after April 1978
For all other fund information Tel 0281 800160

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Fd	70.8	74.5	-	47080
International	533.7	501.7	-	42940
Nth Amer Equity	202.6	213.4	-	42942
Property	417.8	438.6	-	42925
UK Fd	473.3	498.2	-	42936
UK Equity	330.8	348.2	-	46930

For contracts where only one price applies use the bid price shown above. * Calls charged at 36p/min cheap rate, 48p/min at all other times, inc VAT

Mercury Life Assurance Co Ltd
33 King William St, London EC4R 9AS 071-280 2800

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Portfolio	85.2	89.6	-	47513
International	69.5	73.1	-	47509
UK Equity	75.4	79.3	-	47515
Britain Blue Chip	83.8	87.5	-	47505
UK Income	80.1	84.3	-	47516
Recovery	59.2	62.3	-	47514
UK Smaller Cos	55.8	58.7	-	47517
American	78.4	82.4	-	47504
Japanese	50.6	53.2	-	47510
Pacific Basin	108.6	114.3	-	47511
European	70.2	73.8	-	47507
Fixed Interest	62.4	66.1	-	47508
Property	77.1	81.1	-	47511
Bldg Society & Dep	77.1	81.1	-	47506
Global Bond	81.8	86.0	-	44053
Institutional Pension Funds				
Managed		53.6971	-	-
Equity		53.5336	-	-
Global Equity		53.8564	-	-
Bond		51.1335	-	-
Annuity Protection		55.1125	-	-
Cash		50.6897	-	-
Guaranteed		53.6526	-	-

Midland Life Limited
Norwich Hse, Commercial Rd, Southampton 0703 223929

NM Life Assurance Ltd
Enterprise House, Portsmouth 0705 827733

N & P Life Assurance Ltd
Provincial Hse, Bradford BD1 1NL 0274 737080

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Life Managed Fd	139.4	146.7	-	41924
Pension Managed Fd	152.3	160.3	-	41926
Life Deposit Fd	122.2	128.7	-	41923
Pension Deposit Fd	134.1	141.2	-	41825

NPI
48 Gracechurch St, London EC3P 3HH 071-623 4200

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed	454.8	478.8	-	43183
European	116.1	121.2	-	44086
UK Equity	568.5	598.8	-	43184
Overseas Eq.	448.4	472.1	-	40165
Americas	397.6	417.8	-	43186
Far East	511.1	538.0	-	43187
Property	198.8	209.3	-	43188
Fixed Int.	381.1	390.2	-	43169
Indexed Gilt	233.9	246.3	-	43170
Deposit	208.5	219.5	-	43171
With Profit	123.9	130.4	-	44771
With Profits Series II	95.25	100.26	-	-
Pension Fund (Accum Units)				
Managed	687.2	723.4	-	43173
UK Equity	795.8	837.7	-	40176
Overseas Eq.	820.8	864.0	-	45177
Americas	512.9	538.9	-	43170
Far East	910.5	958.5	-	45181
Property	256.8	270.2	-	43183
Fixed Int.	450.8	474.4	-	43185
Indexed Gilt	243.8	256.6	-	42107
Deposit	307.3	323.5	-	43189
NPI Pensions Management Ltd				
Managed Fund	1506.1	1533.0	-	42190

Prices October 1 Next dealing November 1

National Mutual Life
The Priory, Priory Pk, Hitchin, SG5 2DW 0462 422422
Forrester Pension Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed	337.2	249.7	-	43141
UK Equity	247.6	260.1	-	43135
Overseas Equity	210.7	221.8	-	43136
Fixed Interest	222.0	233.7	-	43137
Property	170.8	179.8	-	43138
Index Linked	190.0	200.5	-	43139
Deposit	189.2	199.2	-	43140
1994 Focus Retirement	101.8	107.3	-	-
1995 Focus Retirement	101.8	107.2	-	-
1996 Focus Retirement	101.8	107.3	-	-
1997 Focus Retirement	101.7	107.1	-	-
1998 Focus Retirement	101.0	106.4	-	-

National Westminster Life Assce Ltd
PO Box 556, Trinity Quay, Avon Street, Bristol BS99 5LL
Life Funds

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Security Managed	111.3	117.2	-	44706
Growth Managed	115.6	121.1	-	44707
Opportunity Managed	117.6	123.8	-	44708

Global Managed; UK Equity; American Equity; Japanese Equity; European Equity; SE Asia Equity; Cash; Fixed Interest; Index-Linked; Unitised With Profit Single; Unitised With Profit Regular; Pension Funds — Security Managed; Growth Managed; Opportunity Managed; Global Managed; UK Equity; Cash; Fixed Interest; Unitised With Profit Single; Unitised With Profit Regular — prices [illegible]

Norwich Union Life Insurance Soc.
Surrey Street, Norwich NR1 3NG 0603 622200

Unitised Life: With Profits Fd; Cautious Fd; Balanced Fd; Managed Fd; UK Ord Share Fd; UK Index Tracking Fd (4); International Fd; European Fd; North American Fd; Pacific Fd; Property Fd; Fixed Int Fd; Intl Bond Fd; Deposit Fd; Unitised Pensions: With Profits Fd; Managed Fd; UK Equity Fd; International Fd; European Fd; North American Fd; Pacific Fd; Property Fd; Fixed Int Fd; Intl Bond Fd; Bldg Soc Dep Fd; "Pensionwise" & Unit-Linked Plan: Mixed Fund; Ordinary Share Fund; International Fund; Property Fund; Fixed Interest Fund; Index-Linked Sec Fund; Deposit Fund; Pension Units Sep 15 (1309.55) — prices [illegible]

*Prices as at October 5

Jersey Investment Plan: With Profits Fund (140.39, 147.67, 0.80, 40526); Intl Equity Fund (128.83, 150.40, 40439); Intl Bond Fund (168.31, 177.17, 40349); Ex NUAM Funds: Managed Pens; Stock Market Mngd Fund; Equity Fund; International Fund; European Fund; North American Fund; Pacific Fund; Property Fund; Fixed Interest Fund; Index Linked Sec Fund; Deposit Fund — prices [illegible]

Norwich Union Life Insurance Soc. - Contd.
Ex NUAM Retirement Plans; Ex NUAM (NIF) — prices [illegible]

Norwich Union Pensions Management Ltd
Surrey Street, Norwich NR1 3NG 0603 622200

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Group Pooled Pensions				
Balanced Managed Fd	427.03	434.34	0.00	44381
Growth Managed Fd	143.08	145.55	0.00	44396
Secured Managed Fd	139.67	141.51	0.00	44399

Prices as at October 7

Pearl Assurance (Unit Funds) Ltd
Lynch Wood, Peterborough PE2 6FY 0733 470470

Premium Life Assurance Co Ltd
37-39 Perrymount Road, Haywards Heath 0444 458721

Professional Life Assurance Co Ltd (z)
Stanhope Hse, Portland Terr, Southampton

Prolific Life & Pensions Ltd
Stramongate, Kendal, Cumbria LA9 4UB 0539 733733
Managed Fund see Balanced Growth Managed Fund

Prosperity Life Assurance Ltd
1 Sessions Hse Sq, Maidstone ME14 1XX 0622 680555

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Initial Equity	172.5	182.0	-	43295
Accum Equity	268.8	283.0	-	43305
Accum Managed	284.0	299.5	-	43306
Accum Five Star	220.0	232.0	-	43071
Accum World	157.6	165.5	-	43013
Accum Emerg Mkts	282.0	297.0	-	43014
Pens Acc Equity	305.5	321.8	-	43025
Pens Acc Managed	387.5	408.5	-	43026
Pens Acc Emerg Mkts	350.5	369.0	-	43034
Pens Acc Deposit	239.0	252.0	-	43029
Pens Acc Five Star	256.0	270.0	-	43031

Providence Capitol Life Assc. Co Ltd
2 Bartley Way, Hook, Hants RG27 9XA 0256 766866

Provident Life Assoc Ltd
Provident Way, Basingstoke RG21 2SZ 0256 470707
Gold Range (Pension)

Fund	Bid Price	Offer Price	Yield Gross	City-Line
Managed Fund		171.5	-	46412

Provident Mutual Life Assc. Assn.
8 Hills Way Stevenage Herts SG1 2ST 0438 737000

Managed Ord; Managed Inv; Equity Ord; Equity Inv; Index Linked Gilt Ord; Index Linked Gilt Inv; Overseas Equity Ord; Overseas Equity Inv; Property Ord; Property Inv; Fixed Interest Ord; Fixed Interest Inv; Deposit Ord; Deposit Inv; Pension Funds: Managed Ord; Managed Inv; Equity Ord; Equity Inv; Pen Ind Lnd Gilt Ord; Pen Ind Lnd Gilt Inv; Overseas Equity Ord; Overseas Equity Inv; Property Ord; Property Inv; Fixed Interest Ord; Fixed Interest Inv; Deposit Ord; Deposit Inv — prices [illegible]

FT MANAGED FUNDS SERVICE

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Bid Price | Offer Price | Yield Gross | City-Line

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 071-405 9222

Prudential Corporate Pension Funds
55 King's Road, Reading RG1 3AH 0734 494852

Prudential Individual Life Funds
85 King's Road, Reading, RG1 3AH 0734 494852

Prudential Individual Pension Funds
55 King's Road, Reading RG1 3AH 0734 494852

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

J Rothschild Assurance PLC
J Rothschild House, Dollar Street, Cirencester

Royal Heritage Life Assurance Ltd
Peterborough Business Pk, PE2 6GG 0733 390000

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-239 3000

Royal Liver Assurance
Royal Liver Building, Liverpool, L3 1HT. 051-236 1451

S-E-Banken Life Assurance Co Ltd
140-151 High Rd, Chadwell Hth RM6 6PJ 081-597 7586

Save & Prosper Group (z)
16-22 Western Rd, Romford RM1 3LB 0708-766966

Scottish Amicable
150 St Vincent St, Glasgow 041-248 2323

Scottish Amicable - Contd.

Scottish Equitable Life Assce. Soc.
28 St Andrew Sq, Edinburgh 031-556 9101

Scottish Life Investments
19 St Andrew Square, Edinburgh 031-225 2211

Scottish Mutual Assurance plc
109 St Vincent St, Glasgow 041-248 6321

Scottish Provident Institution
6 St Andrew Sq, Edinburgh 031-556 9181

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 031-655 6000

Skandia Life Assurance Co Ltd (z)
Skandia Hse, Portland Terr, Southampton 0703 334411

Standard Life Assurance Company
3 George St, Edinburgh EH2 2XZ 031-225 2552

Sun Alliance Group
St Mark's Court Horsham 0403 232323

Sun Alliance Group - Contd.

Sun Life Unit Assurance Ltd
St James Barton, Bristol BS99 7SL 0272 426911

Swiss Life (UK) PLC
101 London Rd, Sevenoaks 0732 450151

Target Life Assurance Co Ltd
The Exchange, 86 High St, Aylesbury, Bucks HP20 1SE

TSB Life Ltd
Charlton Pl, Andover, Hants, SP10 1RE 0264 345678

Teachers' Assurance Company Ltd
15 Christchurch Rd, B'mouth BH1 3LW 0202 291111

Templeton Life Assurance Limited
85 Union Street, Oldham OL1 1DT 061-624 7299

Tunbridge Wells Equitable
Abbey Court, Tonbridge Wells 0892 515353

Wesleyan Assurance Society
Colmore Circus, Birmingham, B4 6AR 021-200 3003

Windsor Life Assur Co Ltd
Windsor House, Telford, Shropshire 0952 292929

Woolwich Life Assurance Co Ltd
1-3 Gresham Way, Redhill, Surrey RH1 1NH 0737 778400

Zurich Life Assurance Co Ltd
11 Guildhall Walk, Portsmouth PO1 2LR 0705 822200

OFFSHORE INSURANCES

AXA Equity & Law Intl Life Assce Co
Victory Hse, Prospect Hill, Douglas, IoM 0624 677877

Albany International Assurance Ltd
St Mary's, Castletown, Isle of Man 0624 823262

Albany International Assurance Ltd - Contd.

Allied Dunbar International Assurance Ltd (z)
Lord Street, Douglas, IoM 0624 661551

CMI Insurance Co Ltd
Clerical Medical Hse, Douglas I.O.M. 0624 625599

Century Life International Ltd

Eagle Star Intl Life
Eagle Star Hse, Athol St, Douglas, IoM 0624 682828

Equitable Life (International)

Eurolife Assurance Group

Finsec International Ltd
PO Box 193, St Peter Port, Guernsey 0481 713100

Hansard International Ltd.
PO 192, Bank Hill, 4th Dbys, Douglas IoM 0624 672111

Isle of Man Assurance Ltd

Lebrow International Group

PanEuroLife societe anonyme

Professional Investment Consultants

Providence Capitol International Ltd

Royal Life Intl. Ltd
Royal Court, Arbory Rd, Castletown IoM 0624 821212

Royal Skandia Life Assurance Ltd (z)
Skandia Hse, Finch Rd, Douglas, IoM 0624 611611

Royal Skandia Life Assurance Ltd - Contd.

Scottish Provident Intl Life Assurance Ltd
Lord Street, Douglas, Isle of Man IM99 4LN 0624 677448

Sun Alliance International Life
PO Box 77, Les Echelons Ct, St Peter Port, Gsey 0481 714108

Target International Group
1 rue Emile Bian, Luxembourg

MANAGEMENT SERVICES

Bid Price | Offer Price | Yield Gross | City-Line

Capital Trust Financial Management
5-10 Brook St, Coleraine Co. Londonderry 0265 58600

Chase de Vere PLC
63 Lincoln's Inn Fields, London WC2A 3JX 071-404 5766

ECU Terminvest PLC

Fairmount Financial Services Ltd
Castle House, Tunbridge Wells TN1 1BX 0892 515051

Foster & Braithwaite Ltd

Harstminster Financial Services(Pty) Ltd

IPS Capital Management PLC
18-21 Queen Sq, Bristol BS1 4NH 0272 229977

Johnson Fry Asset Managers Plc
20 Regent Street, London, SW1Y 4PZ 071-439 5866

Knight Williams & Company Ltd
161 New Bond Street, London W1Y 0LA 071-408 1136

Macartney & Dowie Invest Mngt Plc
46 Castle Green Rd, Brentwood, Essex 0277 374036

Roxborough Financial Management Ltd
0 Broad St Pl, Blomfield St, EC2M 7JH 071-628 9222

Charles Stanley & Co Ltd
25 Luke Street, London EC2A 4AR 071-739 8200

United Financial Corporation Ltd
Saxon House, Heritage Gate, Derby 0332 383399

J. D. Ward Financial Services Ltd
8 Kingsway, London, WC2 071-836 4321

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

Fidelity Money Funds
Pembroke Hall, Pembroke, Bermuda

Lloyd George Management
41 Cedar Ave, Hamilton, Bermuda

Newport Investment Management
73 Front Street, Hamilton, Bermuda

Orion Fund Limited
5 Front St., Hamilton, Hm11, Bermuda 809 292 5370

CANADA (SIB RECOGNISED)

CIBC Asset Management
UK Agent: Ivory & Sime Plc.

GUERNSEY (SIB RECOGNISED)

AIB Grofund Inv Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey CI 0481 710851

Adams & Neville Fd Mngmt (Guernsey) Ltd
PO Box 255 St Peter Port Guernsey CI 0481 710851

Baring Intl Fd Managers (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 710851

Butterfield Fund Mngrs (Guernsey) Ltd
PO Box 211, St Peter Port, Guernsey 0481 720321

Equitable International Fund Managers Ltd
PO Box 255, St Peter Port Guernsey CI 0481 710851

Guinness Flight Fd Mngrs (Guernsey) Ltd
PO Box 250, St Peter Port, Guernsey

Hambros Fd Mgrs (CI) Ltd
PO Box 255, Guernsey 0481 715454

Kleinwort Benson Intl Fd Mngrs Ltd
PO Box 44, Guernsey, CI 0481 727111

Lazard Fund Mngrs (Channel Islands) Ltd
PO Box 275, St Peter Port, Guernsey, C.I. 0481 710461

Lloyds Intl Money Market Fund Ltd
Sarnia Hse, Le Truchot, St Peter Port 0481 724983

M & G (Guernsey) Ltd
Westbourne, The Grange, St Peter Port 0481 723683

Prudential Fund Managers (Guernsey) Ltd
Po Box 81, St Peter Port Guernsey 0481 726688

Rothschild Asset Management (CI) Ltd
PO Box 242, St Peter Port, Guernsey 0481 713713

Royal Bank of Canada Offshore Fd Mgrs Ltd
PO Box 246, St Peter Port, Guernsey 0481 723021

Sarasin Funds Mngmt (Guernsey) Ltd
PO Box 248, St Peter Port, Guernsey 0481 728021

Schroder Investment Mngmt (Guernsey) Ltd
PO Box 255, St Peter Port, Guernsey 0481 710851

GUERNSEY (REGULATED)(**)

ANZ Mngmt Co (Guernsey) Ltd

Arab Bank Fund Managers (Guernsey) Ltd

Bachmann Global Investment Fund Ltd

CIBC Fund Managers (Guernsey) Ltd

Dartrust Management (Guernsey) Ltd

Guernsey Capital Management Limited

Hambros Fund Managers (CI) Ltd

Hastevilla Fund Managers (Guernsey) Ltd

Hewlet Throgmorton Mngmt Ltd

Henderson Admin. (Guernsey)

Investment Portfolio Svs (CI) Ltd

Kleinwort Benson Intl Fd Mngrs Ltd

Lazard Fund Managers (CI) Ltd

Lloyds Bank Fund Managers (Guernsey) Ltd

Merrill Lynch Guernsey

Nikko Capital Mngt (Europe) Ltd

Quilter International Management Ltd

Rothschild Asset Mngmt (CI) Ltd

Saudi International (Guernsey) Ltd

Schroder Investment Mngmt (Guernsey) Ltd

UBK Asset Management (Guernsey) Ltd

U.S. Advisors (Guernsey) Limited

U.S. Treasury Securities Fund Ltd

Rudolf Wolff Capital Management Ltd

Yamaichi Capital Mangmt (Guernsey) Ltd

IRELAND (SIB RECOGNISED)

Baring International Fd Managers (Ireland) Ltd
IFSC Hse, Custom Hse Docks Dublin 071-628 6000

Coutts & Co Fund Managers Limited
18 Dawson Street, Dublin 2, Ireland 010 3531 6613444

Dresdner Intl Management Services Ltd

Federated International Funds Plc

GAM Fund Management Ltd (u)
Earlsfort Centre, Dublin 2

GT Asset Management (Ireland) Ltd

Morgan Grenfell Investment Funds Ltd (u)
20 Finsbury Circus, London EC2M 1UT

Prolific International Fund Plc
53 Fitzwilliam Square, Dublin 2

Singer & Friedlander Inv Funds Ltd (u)
21 New Street, Bishopsgate, EC2M 4HR

Swiss Life Investment Fund (u)
1 Harbourmaster Place, Dublin 1

GT Asset Management (Ireland) Ltd

Gaiacorp Ireland Limited

Genesis Portfolio Managers Limited

Hambros Fund Managers (Ireland) Ltd

Kleinwort Benson Capital Mngt (Ireland) Ltd

Morgan Grenfell Fund Mngrs (Ireland) Ltd

Morgan Grenfell Profunds Plc

Old Mutual International Fd Mngrs Ltd (u)

Old Mutual International Ltd

Paine Webber Offshore Funds Plc (u)

J. Rothschild International Assce plc

Sanwa International (Ireland) Plc

Ulster Bank Investment Services

Yellow Sea Investment Company PLC

IRELAND (REGULATED)(**)

BT Fund Managers (Ireland) Ltd (u)

Bank of Ireland Unit Managers Ltd

Baring International Fd Mngrs (Ireland) Ltd

Baring Mutual Fund Mngmt (Ireland) Ltd

Chemical Fund Administrators Ltd

ISLE OF MAN (SIB RECOGNISED)

AXA Equity & Law Intl Fund Mngrs
Victory Hse, Prospect Hill, Douglas IoM 0624 677877

Allied Dunbar Intl Fund Mgrs (1600)F
Lord Street, Douglas, IoM 0624 661551

Asset Global Funds Ltd (1200)
Victory Hse, Prospect Hill, Douglas, IoM 0624 620097

CMI Fund Managers (IoM)
Clerical Medical Hse, Douglas, IoM 0624 625599

Leopold Joseph Fund Mngrs (IoM) Ltd
PO Box 52 Athol St Douglas IoM 0624 661020

Mercury Fund Managers IoM Ltd
12-13 Hill Street, Douglas IoM 0624 662255

Sun Life Management (IoM) Ltd
PO Box 22, Castletown, IoM 0624 824131

Unibank Scandinavian Fund Ltd
19-21, Circular Rd, Douglas, IoM 0624 629420

ISLE OF MAN (REGULATED)(**)

ATC Fund Management (SG) Ltd

AXA Equity & Law Intl Fund Mgrs

Appleton Financial Advisors Ltd

City Financial Admin (IoM) Ltd

Duncan Lawrie Inv. Mgt. Ltd

John Govett Management (IoM) Ltd

IBI Managers (IoM) Ltd

R & H Fund Managers Ltd

JERSEY (SIB RECOGNISED)

AIB Fund Managers (CI) Ltd
PO Box 468 St Helier Jersey 0534 36633

Barclays International Funds
PO Box 152, St Helier, Jersey CI 0534 67888

Capital House Fund Mgrs (CI) Ltd (0900)H
PO Box 189, St Helier, Jersey 0534 74689

Coutts & Co (Jersey) Fund Managers Ltd
23/25 Broad Street, St Helier, Jersey CI 0534 282345

Gartmore Fund Mngrs Intl Ltd
PO Box 278, 45 La Motte St, Jersey 0534 27535

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Gartmore Fund Mngrs Intl Ltd – Contd.

John Govett (Channel Islands) Ltd (1000)F

Hill Samuel Fund Mgrs (Jsy) Ltd (1000)F

Lloyds Bank (CI) U/T Mgrs.

Midland Bank Fund Managers (Jersey) Ltd

Prudential Fund Managers (Jersey) Ltd

Royal Trust Jsy Fd Mngt Ltd (1400)F

Standard Bank Fund Mgmt (Jersey) Ltd

TSB Trust Funds (CI)

JERSEY (REGULATED)(**)

Barclays Intl Funds

Cater Allen Investment Management (CI)

Citibank (CI) Ltd "Citifunds"

Citibank N.A.

Coutts & Co (Jersey) Fund Managers Ltd

EBC Fund Managers (Jersey) Ltd

Fleming Group

Foreign & Colonial Mngmt (Jersey) Ltd

Greece Fund Ltd

John Govett Management (Jersey) Ltd

INVESCO International Limited

Lloyds Bank Trust Co (CI) Mngrs

Management International (Jersey) Ltd

Minerals, Oils Res. Shrs. Fd. Inc.

Northgate Unit Tst. Mngr. (Jersey) Ltd

Perpetual UT Mngrs (Jersey) Ltd

The Portugal Fund Limited

NAV Oct 1 | $5.62 | – | 47465

Royal Bk of Scotland Fd Mngrs (Jersey) Ltd

Royal Trust Intl Fd Mngt Ltd

Schroder Mngt Services (Jersey) Ltd

Scrimgeour Kemp-Gee Mngmt., Jersey

TSB Trust Funds (CI)

Tyndall International (Jersey) Ltd

Warburg Asset Management Jersey Ltd

Worldinvest (Managers) Jersey Ltd

LUXEMBOURG (SIB RECOGNISED)

Abtrust Fund Mngrs Luxembourg SA (u)

BAII Intermarket Fund

Bank Von Ernst & Cie AG

Banque Scandinave a Luxembourg SA

Barclays Diversified Portfolio

Barclays Inv Funds (Luxembourg)

CMI Asset Management (Luxembourg) SA

Commercial Union Luxembourg SA (u)

Cresvale Group (u)

DB Investment Management SA

Den norske Bank

Disa Income Fund

Dolphin Intl Investments (u) SICAV

Dresdnerbank Asset Mngmt SA (u)

E.T. Investment Management Ltd

Eagle Star – Global Assets Fund (u)

EquiFund–Wright National Eqty Fd (u) (x)

Fidelity Funds (u)

Fleming Group (u)

Gartmore Luxembourg SA (u)

Henderson Management SA (u)

Hypo Foreign & Colonial Port Fd Sicav(u)

INVESCO International Limited (u)

INVESCO International Limited – Contd.

Jupiter Tyndall Global Fund

Kleinwort Benson Japanese Warrant Fund

Kleinwort Benson Select Fund (u)

Latin American Securities Ltd (a)

Liberty ALL–STAR World Ptflo–Eqty Fd(u)

Lloyds Bank Luxembourg

Midland Internatl Circuit Fund SICAV(u)

Nomura Global Fund (u)

PRICOA Worldwide Inv Portfolio Sicav (u)

Regent Global Fund (u) (z)

Sarasin Investment SICAV (u)

Schroder International Selection Fd (u)

Scottish Equitable Intl Fund SICAV (u)

Sun Life Global Management Ltd (u)

Templeton Global Strategy SICAV

S.G. Warburg Asset Mngmt Lux SA (u)

Wardley Investment Services (Lux) SA (u)

LUXEMBOURG (REGULATED)(**)

Aetna International Umbrella Fund (u)

Alliance Capital

Alliance Capital – Contd.

Asian Development Equity Fund

Atlantas Sicav

Banque Ferrier Lullin (Lux) SA

Banque Indosuez Luxembourg

Banque Paribas Luxembourg

CS Fund International (u)

CSFB Umbrella

Capel–Cure Myers Intnl Fd Sicav (u)

Citicorp Investment Mgmt (Luxembourg) SA

Clemente Korea Emerging Growth Fund

Credit Commercial de France

Credit Lyonnais Rouse (Bermuda) Ltd

Credit Suisse

Daiwa Japan Gem Fund

Daiwa Japan Small Equity Fd (u)

Dean Witter World Wide Invest. Tst SA

The Dragon Fund Sicav

Eigistan Global SICAV (u)

Espirito Santo Investment Mngmt (SICAV)

Eureca Management S.A.

Europe Value Fund (u)

EurOptec (u)

Fidelity Intl Inv Mngt (Luxembourg) SA

Fidelity Investment (CI) Ltd

The First Korea Smaller Companies Fund

Fleming Group

Gamax Funds

Gartmore Luxembourg S.A.

H.C.M. HYPO Capital Mgt Luxembourg SA

International Bond Trust

International Specialty Fund (u)

INVESCO International Limited

InverSud Investment Fund SICAV

Investissements Atlantiques SA

Israel Selection Fund

Latin American Securities Ltd

Lloyds Bank Luxembourg (u)

Mediterranean Fund (SICAV) (u)

Merrill Lynch Asset Management

Morgan Stanley Sicav

Murray Universal, Sicav

NM Income & Gwth Fd

NICAM Asia Pacific Umbrella Fund

Nikko Bank (Luxembourg) S.A.

Nomura Asian Infrastructure Fd SICAV

Nomura Rosenberg Alpha Fund Mark II

Norit Currency Fund

Pacific Basin Growth Fund

Rosenberg Global Mngt Co SA (u)

Rosenberg Management SA (u)

Rosenberg US Japan Mngmt Co SA (u)

Edmond de Rothschild Group

SCI/TECH SA

Scudder, Stevens & Clark

Target International Ltd

Templeton Emerging Asia

Templeton Worldwide Investments

Transworld Bond Trust

US Pacific Stock Fund (u)

Unibank SA, Frontrunner I (u)

Unico Financial Services SA Lux

Wardley HAPT (Luxembourg) SA

"WINTERTHUR" Fund Mngmt Co (Lux) SA

World Bond Fund–SICAV (z)

World Trust Fund

Yamaichi Advanced Technology Fund

Yamaichi 1992 OMNI Fund SICAV (u)

SWITZERLAND (SIB RECOGNISED)

B.I.A. Bond Investments AG

OTHER OFFSHORE FUNDS

ATSP Management Ltd

Abtrust Fund Mngrs (Guernsey) Ltd

Adig Investment

Aetna Malaysian Growth Fd (Cayman) Ltd

Alliance Capital

Allied Dunbar International Fund Mngrs (1600)F

Alpha Fund Management Ltd

Asian Convertibles & Income Fd (Cayman)

BEA Associates

BZW Investment Management (HK) Ltd

Julius Baer Bank & Trust Co Ltd

Bank Von Ernst & Cie AG

Sqne Fr Serv & Cr/Europ Inv Mgt Ltd

Barclay Eurofutures Fund Ltd

Baring International Group

The Batavia Fund Ltd

Bermuda Capital Company Ltd

Bermuda Intl Invmnt Mgmnt Ltd

Bordier Funds Ltd

The Brazilian Inv Fund

Bridge Management Ltd

Buchanan Fund Ltd

Butterfield Management Co Ltd

CA Securities Investment Fund Mangt Ltd

CDC International

Capital International

Cathay Clemente (Holdings) Limited

Chameleon Funds Limited

The China Fund

China Investment Company

The China Invest & Development Fd Ltd

Citizens Investment Trust Mgt Co Ltd

Columbus Asset Management Ltd

Connaught Investments Ltd (Hong Kong)

Craig Drill Capital Ltd

Credit Lyonnais Intl Asset Mgmt (HK) Ltd

Credit Lyonnais Rouse (Bermuda) Ltd

Cregem International Bank

Crystal Corporation N.V.

DWS Deutsche Ges. F. Wertpapiersp

Daehan Investment Trust Co Ltd

Daiwa APT Japan Fund

Daiwa Intl Capital Management (H.K.) Ltd

Daiwa Japanese Equity Warrant Fund

Delta Lloyd Bank Fund Management

Deutscher Investment–Trust

EGS Overseas Fund Ltd

Eagle G–7 Mexico Fund Ltd

East Asia Hamon Asset Mngt Ltd

Emerging Markets Management

Enhanced Treasury Returns Corporation

The Environmental Investment Co Ltd

Ermitage Group

Europe 1992

S.G. Europe Obligations SA

FFM / Swiss Financial Services

FX Concepts (Bermuda) Ltd

Fairbanks Global Capital Fund Ltd

Falcon Fund International Inc

Fidelity Investments

First Mexico Income Fund

Five Arrows Chile Fund Ltd

Formosa Fund

Formosa Growth Fund Limited

Frankfurt Trust Investment–GmbH

The GH Diversified Fund Ltd

GT Chile Growth Fund Ltd

GT Management Plc

Gaia Currency Funds

Garzarelli Sector Analysis Portfolio NV

Genesis Fund Managers Ltd

Gertrust SA

Global Asset Management

Global Government Plus Fund

Goldman Sachs

Green Way Guaranteed Ltd

Greystone Portfolio Ltd

Group One Limited

Group One International Tst

Hasenbichler Asset Management GmbH

Hausmann Hldgs NV Curacao

The India Magnum Fund NV

Indian Opportunities Fund Ltd

Indosuez Asia Invest Services Ltd

The Jaguar Fund N.V.

The Japan Capital Secured Trust

Jardine Fleming Inv Mngt Ltd

Jardine Fleming Unit Trusts Ltd

Johnson Fry Securities Ltd

Kestrel

Korea Intl Investment Fund

Korea Investment Trust Co Ltd

Lehman Brothers Oporto Growth Fund

Lippo Asia Ltd

Lloyd George Management

London Portfolio Services Group

MFS Meridian Funds

Malaysia Capital Fund Ltd

Malaysia Fund (Labuan)

Malaysia Growth Fund

Man International Futures

Mauritius Fund Ltd

MessPierson

Merrill Lynch Asset Management

Merrill Lynch Guernsey

Minstelsk International Ltd

Momentum Asset Mgmt

Montgomery Emerging Markets Fund Ltd

Moore Global Investment

Morgan Stanley Emerging Market Fund

Morgan Stanley Japanese Warrant Fund NV

National Investment Trust Company Ltd

Newport Investment Management Ltd

Nomura Warrant Fund 1990 Ltd

North Star Fund Managers (Cayman) Ltd

Odey Asset Management Ltd

Old Ironsides International Ltd

Omega Overseas Partners Ltd

Optima Fund Management

Orbis Investment Management Ltd

Orbitex Bahamas Ltd

ORIENT Growth Fd

PFC Internatl Portfolio Fd Mngt Ltd

PRS International

Pacific Growth Fund

Pakistan Fund

Pequot International Fund Inc

Philippine Income Fund Inc

Portuguese Investment Fund Ltd

Putnam International Advisers Ltd

Quantum Group

Real Estate Strategies Ltd

Regent Fund Management Ltd

Republic New York Funds

Rosenwald, Rodti & Co Ltd

Rothschild Asset Management (CI)

Royal Trust Intl Money Market Fund

Sabre Futures Fund

Safra Republic Holding

Schroder Investment Management Limited

Schroder Japanese Warrant Fund

Schroders Asia Limited

Schroders Australia Ltd

Schroder (Switzerland) Fund

Schulter Bermuda Funds

Scudder, Stevens & Clark Inc

Scottish Value Management (Ireland) Ltd (a)

Segespar Securities (Bermuda) Ltd

Shinwa Investment Mngmt (Bermuda) Ltd

Sodhic Asset Management Inc

Carl Spaengler KAG

State Street Banque SA

Strome Offshore Limited

Tabasco Fund Managers Limited

Taipei Fund

Templeton Galbraith & Hansberger Ltd

The Thai Development Capital Fd

The Thai–Euro Fund Ltd

The Thai Prime Fund Limited

The Thailand Fund

The Thailand Growth Fund

The Thailand Intl Fund Ltd

Thames Currency Funds

Thornton Investment Management Ltd

Trans Global Investments Limited

Tyndall International (Bermuda) Ltd

Ultra Futures Fund Ltd

Ultra Hedge Fund Ltd

Ultra Sector Fund Ltd

Ultra Value Fund Ltd

Valu–Trac Investment Management Ltd

The Vietnam Fund Limited

Vigilant Fund Company Ltd

WW Capital Growth Fund

Wardley Investment Services Ltd

Wellington Fd Mngrs (Bermuda) Ltd

Wells Fargo U.S. IT Fund

Worldwide Limited

Xiphias International Investment Fd Ltd

Yamaichi Capital Mngmt (Guernsey) Ltd

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. [illegible]

kicks
nto life

Patrick Harve[y]

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGE AND MONEY MARKETS

EMU under scrutiny

THE future of European currency policy hangs in the balance this week as Germany deliberates on the Maastricht Treaty on European Union. Concentration on the implications for currency are likely to come to the fore as the impact of disappointing US job figures is taken on board.

Barring unforeseen dramas the German constitutional court will tomorrow rule on whether Maastricht conforms with the country's basic law.

UK clearing bank base lending rate 6 per cent from January 26 1993

The most damning ruling would be for no move to Economic Monetary Union (EMU) without some form of vote. As opinion polls suggest more than 70 per cent of voters would oppose abolition of the D-Mark, a test of Maastricht at the polls would probably end German participation in EMU.

Mr Paul Chertkow, currency analyst at UBS, said: "If the court votes no, convergence goes out the window. Countries with high unemployment and low inflation would have to cut and run on the UK model. There would be no anchor and currencies would be assessed on their fundamental value."

It is more likely that the court will ratify the Treaty but attach strings. This could prompt heavy selling of the Ecu and affect its constituent parts, the main currencies in the exchange rate mechanism.

The potential impact of an adverse German decision was overshadowed by tension surrounding US employment data for September. When the figures came in on Friday they matched most forecasts but the make-up suggested any hopes for US recovery were premature. Heavy dollar selling was compounded by expiry of dollar/D-Mark options expiry and sent the US currency sharply lower against leading currencies.

Worries about the US economy are likely to be compounded by flat consumer and producer price statistics this week.

£ IN NEW YORK

Oct 6	Close	Previous Close
£ Spot	1.5340-1.5350	1.5225 1.5235
1 month	0.37-0.36pm	0.37 0.35pm
3 months	0.97-0.94pm	1.78 1.73pm
12 months	3.20-3.10pm	3.13 3.03pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

		Oct 8	Previous
8.30	am	80.9	80.9
9.00	am	81.0	80.9
10.00	am	80.9	81.1
11.00	am	81.0	81.0
Noon		80.9	81.0
1.00	pm	80.9	81.0
2.00	pm	81.0	81.0
3.00	pm	81.0	81.0
4.00	pm	80.8	80.9

CURRENCY MOVEMENTS

Oct 8	Bank of England Index	Morgan** Guaranty Changes %
Sterling	80.9	-26.72
U.S. Dollar	64.6	-12.30
Canadian Dollar	90.1	-11.80
Austrian Schilling	115.8	+17.32
Belgian Franc	111.1	-2.55
Danish Krone	114.0	+8.23
D-Mark	127.0	+34.17
Swiss Franc	116.5	+24.98
Dutch Guilder	121.3	+23.05
French Franc	107.5	-8.15
Lira	77.5	-38.72
Yen	181.8	+125.11
Peseta	88.0	-32.98

Morgan Guaranty changes: average 1980-1982=100. Bank of England (Base Average 1985=100) **Rates are for Oct 7

OTHER CURRENCIES

Oct 6	£	$
Argentina	1.5305 - 1.5310	0.9980 - 0.9985
Australia	2.3275 - 2.3295	1.5180 - 1.5190
Brazil	218.825 - 218.830	142.565 - 142.570
Finland	8.7780 - 8.8080	5.7240 - 5.7435
Greece	357.920 - 358.840	233.400 - 234.000
Hong Kong	11.8465 - 11.8480	7.7250 - 7.7260
Iran	2427.55 - 2430.60	1583.00 - 1585.00
Korea(Sth)	1245.20 - 1246.35	812.00 - 812.18
Kuwait	0.45760 - 0.45880	0.29840 - 0.29920
Luxembourg	53.45 - 53.55	34.80 - 34.90
Malaysia	3.8955 - 3.8970	2.5400 - 2.5410
Mexico	4.7735 - 4.7770	3.1130 - 3.1150
N.Zealand	2.7775 - 2.7818	1.8115 - 1.8136
Saudi Ar	5.7520 - 5.7525	3.7495 - 3.7505
Singapore	2.4035 - 2.4050	1.5675 - 1.5685
S.Af (Cm)	5.2805 - 5.2825	3.4435 - 3.4450
S.Af (Fn)	6.4175 - 6.4330	4.1850 - 4.1950
Taiwan	41.05 - 41.20	26.75 - 26.85
U.A.E.	5.6320 - 5.6325	3.6716 - 3.6735

CURRENCY RATES

Oct 8	Bank rate %	Special* Drawing Rights	European† Currency Unit
Sterling	-	0.772673	0.772673
U.S Dollar	3.00	1.41824	1.18973
Canadian $	4.95	1.88008	1.57614
Austrian Sch	5.75	16.1736	13.3928
Belgian Franc	6.50	49.8853	41.3627
Danish Krone	8.25	9.31713	7.72150
D-Mark	6.25	2.29939	1.90345
Dutch Guilder	5.50	2.58091	2.14016
French Franc	-	8.03768	6.68005
Italian Lira	8.5	2266.59	1884.79
Japanese Yen	1.75	148.412	124.568
Norway Krone	-	10.0488	8.33586
Spanish Peseta	-	186.768	155.211
Swedish Krona	11.50	11.4381	9.47876
Swiss Franc	4.50	2.01816	1.67203
Greek Drach	16	N/A	277.243
Irish Punt	-	N/A	0.808065

§ Bank rate refers to central bank discount rates. These are not quoted by the UK, Spain and Ireland. † European Commission Calculations. * All SDR rates are for Oct 7

CHICAGO

U.S. TREASURY BONDS (CBT) 8% $100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	120-21	120-25	119-03	119-09
Mar	118-14	119-16	117-30	119-03
Jun	118-11	118-15	117-14	117-01
Sep	117-11	117-12	115-27	116-01
Dec	116-25	118-25	115-11	115-15
Mar	116-00	116-00	115-00	114-22
Jun	115-09	-	-	113-31
Sep	114-20	-	-	113-10
Dec	114-00	-	-	112-22

U.S. TREASURY BILLS (IMM) $1m points of 100%

	Close	High	Low	Prev.
Dec	96.92	96.94	96.88	96.90
Mar	96.82	96.85	96.81	96.79
Jun	96.68	96.68	96.68	96.63

BRITISH POUND (IMM) $s per £

	Close	High	Low	Prev.
Dec	1.5302	1.5314	1.5144	1.5170
Mar	1.5222	1.5220	1.5070	1.5092
Jun	1.5148	1.5150	1.5010	1.5020

SWISS FRANC (IMM) SFr 125,000 $ per SFr

	Close	High	Low	Prev.
Dec	0.7102	0.7127	0.6990	0.6994
Mar	0.7087	0.7110	0.6980	0.6978
Jun	0.7078	-	-	0.6969

JAPANESE YEN (IMM) Y12.5m $ per Y100

	Close	High	Low	Prev.
Dec	0.9442	0.9547	0.9421	0.9541
Mar	0.9565	0.9560	0.9460	0.9564
Jun	0.9489	-	-	0.9588

DEUTSCHE MARK (IMM) DM125,000 $ per DM

	Close	High	Low	Prev.
Dec	0.6186	0.6215	0.6120	0.6123
Mar	0.6134	0.6186	0.6105	0.6080
Jun	0.6120	-	-	0.6046

THREE-MONTH EURODOLLAR (IMM) $1m points of 100%

	Close	High	Low	Prev.
Dec	96.58	96.61	96.54	96.55
Mar	96.58	96.62	96.52	96.53
Jun	96.39	96.41	96.32	96.33
Sep	96.19	96.21	96.10	96.11
Dec	95.83	95.85	95.73	95.74
Mar	95.75	95.76	95.65	95.66
Jun	95.55	95.56	95.45	95.46
Sep	95.37	95.39	95.28	95.29

STANDARD & POORS 500 INDEX $500 times index

	Close	High	Low	Prev.
Dec	461.35	462.20	459.30	459.80
Mar	462.25	463.00	462.05	460.70
Jun	463.15	-	-	461.60
Sep	464.35	-	-	462.80

PHILADELPHIA SE £/$ OPTIONS £31,250 (cents per £1)

Strike Price	Calls Oct	Calls Nov	Calls Dec	Calls Mar	Puts Oct	Puts Nov	Puts Dec	Puts Mar
1.475	5.72	5.97	6.33	7.30	-	0.58	1.34	3.12
1.500	3.35	4.11	4.66	5.66	0.10	1.14	2.14	4.15
1.525	1.41	2.56	3.24	4.62	0.58	2.09	3.16	5.37
1.550	0.34	1.50	2.22	3.59	2.02	3.48	4.58	6.81
1.575	0.04	0.80	1.43	2.74	4.13	5.27	6.27	8.37
1.600	-	0.41	0.87	2.10	6.55	7.31	8.15	10.15
1.625	-	0.17	0.50	1.55	8.99	9.52	10.26	12.06

Previous day's open int: Calls 691,841 Puts 587,228 (All currencies)
Previous day's volume: Calls 4,638 Puts 25,806 (All currencies)

POUND SPOT - FORWARD AGAINST THE POUND

Oct 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.5210 - 1.5370	1.5355 - 1.5365	0.36-0.34cpm	2.73	0.97-0.94pm	2.49
Canada	2.0305 - 2.0465	2.0445 - 2.0455	0.28-0.21cpm	1.44	0.62-0.48pm	1.08
Netherlands	2.7815 - 2.7880	2.7650 - 2.7760	⅛-¼cdis	-0.81	¾-⅞dis	-0.72
Belgium	53.45 - 53.95	53.45 - 53.55	14-22cdis	-4.04	42-53dis	-3.55
Denmark	9.9785 - 10.0545	9.9850 - 10.0050	3-3⅞oredis	-4.13	6⅛-6⅞dis	-3.50
Ireland	1.0435 - 1.0505	1.0470 - 1.0480	0.07-0.11cdis	-1.03	0.20-0.25dis	-0.88
Germany	2.4610 - 2.4725	2.4825 - 2.4875	⅛-¼pfdis	-0.91	½-⅝dis	-0.91
Portugal	254.45 - 258.20	254.55 - 255.55	122-139cdis	-6.14	347-387dis	-5.76
Spain	200.15 - 202.10	200.45 - 200.75	78-88cdis	-4.97	212-237dis	-4.48
Italy	2430.95 - 2455.30	2437.25 - 2438.25	5-7liredis	-2.95	16-18dis	-2.79
Norway	10.7595 - 10.8405	10.7900 - 10.8000	⅛-⅜oredis	-0.56	⅞-2⅛dis	-0.56
France	8.6205 - 8.6720	8.6400 - 8.6500	1-1¼cdis	-1.56	2⅞-3¼dis	-1.42
Sweden	12.2255 - 12.3230	12.2800 - 12.2900	2-2⅞oredis	-2.38	4⅛-5dis	-1.75
Japan	160.20 - 162.50	161.50 - 162.50	⅝-⅜ypm	3.78	1⅛-1¼pm	3.24
Austria	17.30 - 17.44	17.33 - 17.35	⅞-1⅞grodis	-0.95	3⅞-5⅞dis	-0.98
Switzerland	2.1540 - 2.1725	2.1525 - 2.1625	¼-⅛cpm	1.84	¾-½pm	1.18
Ecu	1.3030 - 1.3170	1.3035 - 1.3045	0.19-0.23cdis	-1.93	0.57-0.63dis	-1.84

Commercial rates taken towards the end of London trading. Six-month forward dollar 1.78-1.73pm. 12 Month 3.11-3.01pm.

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

Oct 8	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.5218 - 1.5370	1.5355 - 1.5365	0.36-0.34cpm	2.73	0.97-0.94pm	2.49
Ireland†	1.4495 - 1.4720	1.4655 - 1.4665	0.48-0.46cpm	3.85	1.28-1.23pm	3.42
Canada	1.3290 - 1.3360	1.3315 - 1.3325	0.15-0.17cdis	-1.44	0.44-0.50dis	-1.41
Netherlands	1.7995 - 1.8240	1.8030 - 1.8040	0.52-0.55cdis	-3.56	1.38-1.45dis	-3.14
Belgium	34.70 - 35.30	34.80 - 34.90	19.00-21.00cdis	-6.89	49.00-54.00dis	-5.91
Denmark	6.4950 - 6.5825	6.5075 - 6.5125	3.65-4.05oredis	-7.18	9.60-10.20dis	-6.08
Germany	1.5995 - 1.6235	1.6035 - 1.6045	0.52-0.53pfdis	-3.93	1.36-1.40dis	-3.47
Portugal	165.65 - 167.75	165.90 - 166.00	121-128cdis	-8.93	333-348dis	-8.21
Spain	130.30 - 132.25	130.50 - 130.60	87-91cdis	-8.16	225-232dis	-7.00
Italy	1584.00 - 1612.00	1586.75 - 1587.25	7.60-8.10liredis	-5.94	21.80-22.70dis	-5.61
Norway	7.0000 - 7.1015	7.0250 - 7.0300	1.85-2.10oredis	-3.37	5.20-5.60dis	-3.07
France	5.6100 - 5.6900	5.6250 - 5.6300	2.00-2.10cdis	-4.37	5.48-5.63dis	-3.95
Sweden	7.9600 - 8.0825	7.9950 - 8.0000	3.25-3.55oredis	-5.10	8.30-8.80dis	-4.28
Japan	104.85 - 105.80	105.45 - 105.55	0.07-0.05ypm	0.74	0.24-0.22pm	0.87
Austria	11.2775 - 11.4140	11.2825 - 11.2875	3.35-3.65grodis	-3.72	9.00-10.00dis	-3.37
Switzerland	1.4010 - 1.4250	1.4050 - 1.4060	0.19-0.22cdis	-1.75	0.43-0.40dis	-1.31
Ecu†	1.1620 - 1.1790	1.1760 - 1.1770	0.46-0.45cpm	4.64	1.31-1.29pm	4.42

Commercial rates taken towards the end of London trading. † UK, Ireland and Ecu are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EXCHANGE CROSS RATES

Oct 8	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Pta.	Ecu
£	1	1.536	2.468	162.0	8.645	2.158	2.770	2438	2.045	53.50	200.6	1.304
$	0.651	1	1.605	105.5	5.628	1.405	1.803	1587	1.331	34.83	130.6	0.849
DM	0.406	0.623	1	65.72	3.507	0.875	1.124	989.8	0.830	21.78	81.38	0.529
YEN	0.173	9.481	15.22	1000.	53.38	13.32	17.10	15049	12.62	330.2	1238	8.040
F Fr.	1.157	1.777	2.851	187.4	10.	2.496	3.204	2820	2.368	61.89	232.0	1.508
S Fr.	0.463	0.712	1.142	75.07	4.006	1	1.284	1130	0.948	24.79	92.98	0.604
N Fl.	0.361	0.555	0.890	58.48	3.121	0.779	1	880.1	0.738	19.31	72.42	0.471
Lira	0.418	0.630	1.011	66.45	3.546	0.885	1.138	1000.	0.839	21.94	82.28	0.535
C$	0.489	0.751	1.205	79.22	4.227	1.055	1.356	1192	1	26.16	98.09	0.638
B Fr.	1.869	2.871	4.607	302.6	16.18	4.034	5.178	4557	3.822	100.	375.0	2.437
Pta	0.499	0.766	1.229	80.78	4.310	1.076	1.381	1215	1.018	26.67	100.	0.650
Ecu	0.767	1.178	1.890	124.2	6.630	1.655	2.124	1870	1.568	41.03	153.8	1.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100: Peseta per 100.

EURO-CURRENCY INTEREST RATES

Oct 8	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	6⅛ - 5⅞	6 - 5⅞	5 15/16 - 5⅞	5⅞ - 5¾	6¾ - 5 13/16	5 13/16 - 5⅝
US Dollar	2 15/16 - 2 13/16	3⅛ - 3	3 5/16 - 3 3/16	3⅜ - 3¼	3⅜ - 3¼	3⅞ - 3¾
Can. Dollar	4⅝ - 4⅛	4½ - 4¼	4 7/16 - 4 5/16	4 13/16 - 4 11/16	5⅛ - 4⅞	5 7/16 - 5 5/16
Dutch Guilder	6⅝ - 6½	6 9/16 - 6 7/16	6 9/16 - 6 7/16	6¼ - 6⅛	6⅛ - 6	5 15/16 - 5 13/16
Swiss Franc	4⅞ - 4⅝	4⅝ - 4½	4 11/16 - 4 9/16	4⅝ - 4½	4 7/16 - 4 5/16	4 7/16 - 4 5/16
D-Mark	6¾ - 6⅝	6 13/16 - 6 11/16	6 13/16 - 6 11/16	6¾ - 6⅝	6 7/16 - 6 5/16	6 - 5⅞
French Franc	7 5/16 - 7 3/16	7 5/16 - 7 3/16	7 5/16 - 7 3/16	7¼ - 7⅛	6 13/16 - 6 11/16	6⅝ - 6½
Italian Lira	10 - 6	9 - 8½	8⅞ - 8⅝	8⅞ - 8⅝	8⅝ - 8⅜	8½ - 8¼
Belgian Franc	9¼ - 8⅝	9 13/16 - 9 11/16	9⅞ - 9¼	9⅝ - 9½	9⅛ - 8 13/16	8 7/16 - 7 13/16
Yen	2 7/16 - 2 5/16	2 7/16 - 2 5/16	2 7/16 - 2 5/16	2½ - 2⅜	2½ - 2⅜	2½ - 2⅜
Danish Krone	11 - 18	10 - 9¼	9¼ - 8¼	9¼ - 8¾	8⅞ - 8⅜	8 - 7½
Asian $Sing	3½ - 2½	3½ - 2½	3½ - 2½	4 - 3	4 - 3	4⅛ - 3⅛
Spanish Peseta	10½ - 10¼	18½ - 18¼	18½ - 18 3/16	18¼ - 10⅛	18 - 9¾	8 11/16 - 9 5/16
Portuguese Esc.	12½ - 12	12¾ - 11¾	12⅜ - 11⅞	11½ - 11	11⅞ - 10⅞	10⅞ - 10⅜

Long term Eurodollars: two years 4⅛-3 15/16 per cent; three years 4⅞-4⅝ per cent; four years 4¾-4⅝ per cent; five years 5-4⅞ per cent nominal. Short term rates are call for US Dollar and Japanese Yen; others, two days' notice.

FT LONDON INTERBANK FIXING

(11.00 a.m. Oct 8)	3 months US dollars		6 months US Dollars
bid 3¼	offer 3⅜	bid 3¼	offer 3⅜

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK — Treasury Bills and Bonds

Lunchtime					
Prime rate	6	One month	3.08	Three year	4.03
Broker loan rate	5	Two month	3.07	Five year	4.61
Fed.funds	2 15/16	Three month	3.04	Seven year	4.81
Fed.funds at intervention	-	Six month	3.16	10-year	5.25
		One year	3.31	30-year	5.92
		Two year	3.77		

Oct 6	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	6.70-6.86	6.75-6.85	6.66-6.80	6.60-6.70	6.35-6.45	7.25
Paris	7 1/16-7 3/16	7.07-7.27	-	7.06-7.26		6.75
Zurich	4⅝-4⅞	4 7/16-4 11/16	-	4 7/16-4 9/16	-	-
Amsterdam	6.45-6.55	6.45-6.55	-	6.30-6.38	-	-
Tokyo	2 13/16-2 11/16	-	-	-	-	-
Milan	8¾-9 1/16	8 11/16-8¾	-	6⅝-8¾	-	-
Brussels	9⅞-9¾	9 13/16-9 11/16	-	6⅜-9½	-	-
Dublin	6 11/16-6 13/16	6 15/16-7 1/16	6⅞-7	6⅞-7	6⅝-6¾	-

LONDON MONEY RATES

Oct 6	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	5½	5 11/16	5⅞	5⅞	5¾	5 11/16
Interbank Bid	4	5⅛	5¾	5¾	5⅝	5 9/16
Sterling CDs.	-	-	5⅞	5⅞	5 11/16	5⅝
Local Authority Deps.	5	5½	5⅞	5⅞	5¾	5 11/16
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps	5¼	5½	-	-	-	-
Company Deposits	-	-	-	-	-	-
Finance House Deposits	-	-	5⅞	5⅞	5¾	5 11/16
Treasury Bills (Buy)	-	-	5 9/16	5½	5 7/16	-
Bank Bills (Buy)	-	-	5 13/16	5 11/16	5 9/16	-
Fine Trade Bills (Buy)	-	-	-	-	-	-
Dollar CDs.	-	-	3.00	3.06	3.11	3.27
SDR Linked Dep. Offer	-	-	4 3/16	4¼	4 5/16	4 7/16
SDR Linked Dep. Bid	-	-	4 1/16	4⅛	4 3/16	3 15/16
ECU Linked Dep. Offer	-	-	8	7 13/16	7⅝	6 15/16
ECU Linked Dep. Bid	-	-	7½	7 5/16	7⅛	6 7/16

Treasury Bills (sell); one-month 5½ per cent; three months 5 5/16 per cent; six months 5⅛ per cent; Bank Bills (sell): one-month 5 11/16 per cent; three months 5½ per cent; Treasury Bills: Average tender rate of discount 5.2048 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day September 30, 1993. Agreed rates for period Oct 26, 1993 to Nov 23, 1993 Schemes II & III: 7.22 p.c. Reference rate for period Sept 1, 1993 to Sept 30, 1993, Scheme IV&V: 5.954 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 6pc from October 1, 1993: Bank Deposit Rate for sums at 7 days notice 5⅛ p.c. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 2¼ p.c.; one-three months 5¼ p.c.; three-six months 5 p.c.; six-nine months 4¾ p.c.; nine-twelve months 4½ p.c.; Under £100,000 2¼ p.c. from Jan.27, 1993, Deposits withdrawn for cash 1¼p.c.

LONDON RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+or-	Net Div.	Times Cov'd	Gross Yield	P/E Ratio
-	F.P.	-	110	94	Anglian Water Wrts	106	-1	-	-	-	-
-	F.P.	-	941¼	£365⅞	Beta Viet Nam Units	£411¼		-	-	-	-
90	F.P.	-	98	95	Crocklords	95	-1	W6.2	2.3	6.8	7.5
-	F.P.	-	70½	67	For & Col Special Inc	70		-	-	-	-
-	F.P.	-	46	42	Do Capital	42		-	-	-	-
-	F.P.	-	114	109	Do Units	112		-	-	-	-
-	F.P.	-	81	77	Ivory & Sime Ent. Cap.	78		-	-	-	-
-	F.P.	-	15	14	Do. Warrants	14		-	-	-	-
-	F.P.	-	5⅛	4⅛	Regent A	5		-	-	-	-
-	F.P.	-	11	9½	§Select Industries	10½		-	-	-	-
§112	F.P.	-	118	98	Shield Diagnostics	118		-	-	-	-
§115	F.P.	-	123	115	WE Holdings	115	-2	L3.5	2.5	3.8	12.7
-	F.P.	-	3¼	3	Wiggins	3¼		-	-	-	-

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price £	+ or -
-	F.P.	-	112½p	103p	Agrey 8½pc Cm Pf	110p	
-	F.P.	-	105p	103p	Baynes (C) 5.8p (Net) Cv Pf	105p	
100	F.P.	-	116⅝	105	Coats Viyella 6¼pc Cv Bds 2003	116¼	+⅝
-	F.P.	-	117	108	Ex-Lands 7½pc Cv Ln 2020	115½	
100	F.P.	-	109	98¼	Emerald 7pc Cv Bds 2003	108	
-	F.P.	-	92½	90	Ivory & Sime Ent. Cap. Cv Ln 2009	90	
-	F.P.	-	112½	104½	Natl. Power 6¼pc Cv Bds 2008	112½	
380p	Nil	-	73½pm	66pm	Scottish & Newcastle Non-Int ULS Uts	66pm	-1
-	F.P.	-	118⅛	107⅞	Warburg 6½pc Cv Bds 2008	118⅛	-½
-	F.P.	-	113	107	Wilton 8¼pc Bds	112	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1993 High	1993 Low	Stock	Closing Price p	+ or -
140	Nil	22/10	34pm	32pm	Adwest	32pm	
120	Nil	4/11	19pm	8pm	Appleyard	10pm	
35	Nil	-	1pm	¼pm	Britannia	¼pm	
150	Nil	15/11	11pm	8pm	Friendly Hotels	9pm	
150	Nil	2/11	23pm	18pm	JIB	23pm	
260	Nil	2/11	77pm	48pm	MB Caradon	77pm	+3
180	Nil	10/11	23pm	13pm	Perry Group	13pm	
8	Nil	26/10	4pm	3pm	Phoenix Timber	3pm	-½
130	Nil	3/11	23½pm	13½pm	Tarmac	23pm	+4½
72	Nil	13/10	7pm	5pm	Wates City of London	7pm	+1
2½	Nil	25/10	¼pm	½pm	Wiggins	¼pm	

pm Price at a premium. For other notes please refer to the Guide to the London Share Service.

BANK OF ENGLAND TREASURY BILL TENDER

	Oct 8	Oct 1		Oct 8	Oct 1
Bills on offer	£200m	£200m	Top accepted rate of discount	5.3140%	5.1942%
Total of applications	£713m	£518m	Average rate of discount	5.2048%	5.1937%
Total allocated	£200m	£200m	Average yield	5.2732%	5.2818%
Minimum accepted bid	£98.675	£98.705	Amount on offer at next tender	£200m	£200m
Allotment at minimum level	2%	95%	Minimum accepted bid 182 days	-	-

WEEKLY CHANGE IN WORLD INTEREST RATES

LONDON	Oct 6	change		Oct 6	Change
Base rates	6	Unch'd	**NEW YORK** Prime rates	6	Unch'd
7 day Interbank	5½	-⅛	Federal Funds	3⅛	-⅛
3-month Interbank	5⅞	-⅛	3 Mth. Treasury Bills	3.04	+0.06
Treasury Bill Tender	5.2048	+0.0121	6 Mth. Treasury Bills	3.18	+0.04
Band 1 Bills	5⅝	Unch'd	3 Mth. CD	3.06	-0.02
Band 2 Bills	5⅝	Unch'd	**FRANKFURT**		
Band 3 Bills	-	-	Lombard	7.25	Unch'd
Band 4 Bills	-	-	One mth. Interbank	6.800	+0.025
3 Mth. Treasury Bill	5⅛	-⅛	Three month	6.650	+0.075
1 Mth. Bank Bills	5⅝	-⅛	**PARIS**		
3 Mth. Bank Bills	5½	-⅛	Intervention Rate	6.75	Unch'd
TOKYO			One mth. Interbank	7.17	+005
One month	-	-	Three month	7.18	+0.13
Three month	-	-	**MILAN**		
BRUSSELS			One month	8 13/16	-⅛
One month	9⅛	Unch'd	Three month	8 11/16	
Three month	9⅛	Unch'd	**DUBLIN**		
AMSTERDAM			One month	7	Unch'd
One month	6.50	+0.07	Three month	6 13/16	Unch'd
Three month	6.34	-0.04			

BASE LENDING RATES

	%		%		%
Adam & Company	6	Cyprus Popular Bank	6	Nykredit Mortgage Bnk	6.5
Allied Trust Bank	6	Duncan Lawrie	6	●Rea Brothers	6
AIB Bank	6	Exeter Bank Limited	7	*Roxburghe Bank Ltd	6
●Henry Ansbacher	6	Financial & Gen Bank	7	* (in administration)	
B & C Merchant Bank	13	●Robert Fleming & Co	6	Royal Bk of Scotland	6
Bank of Baroda	6	Girobank	6	●Smith & Williamson Secs.	6
Banco Bilbao Vizcaya	6	●Guinness Mahon	6	Standard Chartered	6
Bank of Cyprus	6	Habib Bank AG Zurich	6	TSB	6
Bank of Ireland	6	●Hambros Bank	6	●United Bk of Kuwait	6
Bank of India	6	Heritable & Gen Inv Bk.	6	Unity Trust Bank Plc	6
Bank of Scotland	6	●Hill Samuel	6	Western Trust	6
Barclays Bank	6	C. Hoare & Co	6	Whiteaway Laidlaw	6
Brit Bk of Mid East	6	Hongkong & Shanghai	6	Wimbledon & Sth West	7
●Brown Shipley	6	Julian Hodge Bank	6	Yorkshire Bank	6
CL Bank Nederland	6	●Leopold Joseph & Sons	6		
Citibank NA	6	Lloyds Bank	6	● Members of British Merchant Banking & Securities Houses Association	
City Merchants Bank	6	Meghraj Bank Ltd	6		
Clydesdale Bank	6	McDonnell Douglas Bk.	6		
The Co-operative Bank	6	Midland Bank	6		
Coutts & Co	6	Mount Banking	6		
Credit Lyonnais	6	NatWestminster	6		

STOCK INDICES

	Oct 8	Oct 7	Oct 6	Oct 5	Oct 4	Oct 1	1993 High	1993 Low	Since Compilation High	Since Compilation Low
FT-SE 100	3108.6	3092.4	3100.8	3085.2	3067.7	3039.3	3108.6	2737.6	3108.6	986.9
FT-SE Mid 250	3477.3	3470.5	3471.8	3457.7	3439.3	3426.7	3513.3	2876.3	3513.3	1379.4
FT-SE-A 350	1551.6	1544.7	1548.0	1540.6	1532.0	1516.7	1552.2	1348.7	1552.2	664.5
FT-A All-Share	1536.97	1530.42	1533.47	1526.43	1516.12	1506.65	1537.57	1086.13	1537.57	61.92
FT-SE Eurotrack 100	1321.16	1317.76	1321.84	1313.61	1299.14	1283.99	1321.84	1063.02	1321.84	900.45
FT-SE Eurotrack 200	1405.46	1401.97	1403.39	1391.47	1377.73	1366.19	1405.46	1144.79	1405.46	938.62
FT Ordinary	2359.1	2350.4	2355.4	2345.8	2332.5	2312.6	2414.2	2124.7	2414.2	46.4
FT Government Secs.	102.68	102.44	102.54	102.26	102.08	102.04	102.86	93.26	127.40	46.16
FT Fixed Interest	124.21	124.11	123.47	123.16	122.84	123.06	125.20	108.67	125.20	50.53
FT Gold Mines	203.7	197.9	182.4	182.6	182.5	185.3	249.2	60.0	734.7	43.6

LONDON SHARE SERVICE

BRITISH FUNDS

Stock	Notes	Price £	Wk % Ech'nge	Amnt £m	Interest due	Last xd	City line
"Shorts" (Lives up to Five Years)							
Treas 13¼pc 1993‡‡		100 13/32	-.1	1,063	My23 Nv23	16.4	1304
8½pc 1994		100⅝	-.1	2,100	Au3 Fe3	28.6	4871
14½pc 1994‡‡		103 13/32	-.2	550	Se1 Mr1	28.7	1307
Exch 13½pc 1994		104 3/32xd	-.1	1,100	Oc27 Ap27	20.9	1267
Treas. 10pc Ln. 1994‡‡		102⅞	-.1	1,800	De9 Je9	4.5	1284
Exch 12½pc 1994		105⅞	-.1	1,240	Fe22 Au22	16.7	1263
Treas 9pc 1994‡‡		103⅝	—	1,900	My17 Nv17	13.4	1345
12pc 1995		108	—	2,350	Jy25 Ja25	18.6	1294
Exch 3pc Gas 90-95		97¼xd	—	214	Nv1 My1	27.9	1271
10¼pc 1995		107 13/32	0.1	2,500	Ja21 Jy21	14.9	1254
Treas 12¼pc 1995‡‡		113 13/32	0.1	840	My13 Nv15	8.4	1298
14pc 1995		117 7/32	0.1	770	Jy22 Ja22	15.6	1305
15¼pc 1996‡‡		121 3/32xd	0.1	1,169	Nv3 My3	27.9	1309
Exch 13¼pc 1996‡‡		117¼	0.1	800	Nv15 My15	8.4	1266
Conversion 10pc 1996		110⅝	0.2	3,409	My15 Nv15	8.4	1240
Treas 13¼pc 1997‡‡		120½	0.2	1,290	Jy22 Ja22	16.6	1302
Exch 10½pc 1997		112⅞	0.2	3,700	Au21 Fe21	15.7	1253
Treas 8¾pc 1997‡‡		108 13/32	0.2	6,550	Mr1 Se1	28.7	1341
Exch 15pc 1997		130¼xd	0.1	830	Ap27 Oc27	20.9	1269
9¾pc 1998		112 13/32	0.3	3,560	Jy10 Ja10	14.6	1273
Treas 7¼pc 1998‡‡		103 13/32xd	0.2	6,250	Mr30 Se30	24.8	-
7¼pc 1998 B‡‡		103 13/32	0.2	1,800	Mr30 Sep30	-	-
Treas 6¾pc 1995-98‡‡		101⅜xd	0.1	1,200	Nv1 My1	27.9	1331
14pc '96-1		128 9/16	0.3	970	Nv22 My22	15.4	1306
Five to Fifteen Years							
Treas 15½pc '98‡‡		137⅜xd	0.3	936	Mr30 Se30	24.8	1308
Exch 12pc 1998		122 13/32	0.3	3,908	My20 Nv20	13.4	1259
Treas 9½pc 1999‡‡		113 5/16	0.5	1,908	Jy15 Ja15	8.8	1347
Exch 12¼pc 1999		124 13/32	0.4	3,050	Se26 Mr26	20.8	1264
Treas 10½pc 1999		117 13/32	0.4	1,282	Nv18 My18	13.4	1288
Conversion 10¼pc 1999		117 13/32	0.3	1,700	My22 Nv22	16.4	1242
9pc 2000‡‡		112 5/16	0.5	5,358	Se3 Mr3	28.7	1244
Treas 13pc 2000		132⅝	0.5	3,171	Ja14 Jy14	7.8	1299
10pc 2001		118⅝	0.6	4,406	Au26 Fe26	20.7	1280
7pc '01(£57¼P/P)‡‡		61 5/16	0.6	3,250	My6 Nv6		-
9¾pc 2002		116½	0.6	6,527	Fe27 Au27	21.7	1349
8pc 2003‡‡		190¼	0.6	4,350	Je18 Oc18	4.5	-
8pc 2003 A‡‡		108 7/32	0.7	3,250	Je10 De10	-	-

BRITISH FUNDS - Cont.

Stock	Notes	Price £	Wk % Ech'nge	Amnt £m	Interest due	Last xd	City line
10pc 2003		121⅛	0.6	2,503	Mr8 Se8	2.8	1281
Treas 11½pc 2001-4		125 7/16xd	8.6	1,620	Se16 Mr16	13.8	1290
Funding 3½pc '99-4		80 13/32	1.1	543	Ja14 Jy14	7.0	1274
Treas 6¾pc 2004		49	2.3	3,250	My26 Nv26		-
Conversion 9½pc 2004		116⅞xd	1.0	3,412	Ap25 Oc25	20.9	1246
9½pc 2005		119 5/16xd	1.1	4,842	Oc16 Ap16	13.9	1247
Treas 12½pc 2003-5		136 13/32	0.7	2,200	My21 Nv21	14.4	1295
7¾pc 2006‡‡		105 13/32	1.0	3,200	Mr8 Se8	2.8	-
8pc 2002-6‡‡		108⅝	0.8	2,000	Ap5 Oc5	1.9	1334
Treas 11¾pc 2003-7		129 13/32	0.7	3,150	Jy22 Ja22	15.6	1293
Treas 8½pc 2007‡‡		112¼	1.0	5,467	Ja16 Jy16	9.6	1339
8½pc 2007 C(£50)‡‡		63 13/32	1.8	1,300	Ja16 Jy16	-	-
13½pc '04-8		144 13/32	0.8	1,250	Se26 Mr26	20.8	1001
Over Fifteen Years							
Treas 9pc 2008‡‡		117xd	0.9	5,321	Ap13 Oc13	8.9	1343
8pc 2009		107 13/32	1.0	3,100	Mr25 Se25	18.6	1336
Conv 9pc Ln 2011‡‡		118⅛	1.1	4,273	Ja12 Jy12	7.6	1245
9pc 2011 D (£50)‡‡		51⅛	2.7	1,000	Jy12 Ja12		-
Treas 9pc 2012‡‡		118 13/32	1.3	5,150	Fe6 Au6	30.6	1701
Treas 5½pc 2008-12‡‡		87	1.0	1,000	Mr18 Se18	4.5	1330
Treas 8pc 2013‡‡		106⅝	1.4	4,350	Mr27 Se27	23.8	-
7¾pc 2012-15‡‡		106⅝	1.1	509	Jy26 Ja26	21.6	1332
Treas 8¾pc 2017‡‡		117 13/32	1.3	6,500	Fe25 Au25	19.7	1982
Exch 12pc '13-'17		148 13/32	1.3	1,000	Je12 De12	8.5	1280
Undated							
Consols 4pc		53 13/32	0.8	359	Fe1 Au1	25.6	1239
War Loan 3½pc‡‡		48 13/32	1.0	1,909	Je1 De1	28.4	1352
Conv 3½pc '61 Aft.		60¼xd	0.7	122	Ap1 Oc1	25.8	1243
Treas 3pc '66 Aft.		39 13/32	0.6	00	Ap5 Oc5	1.9	1324
Consols 2½pc		35 5/16	1.6	276	5JaApJyOc	1.9	1238
Treas. 2½pc		34xd	1.1	475	Ap1 Oc1	25.8	1315

BRITISH FUNDS - Cont.

Stock	Notes	Price £	Wk % Ech'nge	Amnt £m	Interest due	Last xd	City line
Index-Linked	(b)						
Treas. 2pc '94	J (102.9)	100 5/16	0.1	509	Nv10 My10	13.4	5070
2pc '96	(67.9)	200 13/32	0.3	1,200	Mr18 Se16	10.8	1313
4⅝pc '98‡‡	(135.6)	110⅛xd	0.2	600	Ap27 Oc27	20.9	-
2½pc '01	(78.3)	168⅝	0.3	1,350	Mr24 Se24	18.8	1316
2½pc '03	(78.8)	168 13/32	0.3	1,050	Nv20 My20	13.4	1317
4⅝pc '04‡‡	(135.6)	113⅝xd	0.5	600	Ap21 Oc21	14.9	-
2pc '06	(69.5)	177¼	0.7	1,550	Ja16 Jy10	14.8	1314
2½pc '09	(78.8)	161 3/16	0.6	1,550	Nv20 My20	13.4	1318
2½pc '11	(74.6)	169⅝	0.7	1,550	Fe23 Au23	19.7	1316
2½pc '13	(89.2)	139⅝	8.7	2,150	Fe16 Au16	12.7	1320
2½pc '16	(81.6)	150 5/16	0.8	2,400	Ja26 Jy26	21.8	1321
2½pc '20	(83.0)	145 13/32xd	1.0	2,400	Oc16 Ap16	8.9	1322
2½pc '24‡‡	(97.7)	122⅝	1.2	1,700	Ja17 Jy17	10.8	1323
4⅛pc '30‡‡	(135.11)	122 5/16	1.2	1,100	Jy22 Ja16	15.6	-

(b) Figures in parentheses show RPI base for indexing (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for January 1993: 137.6 and for August 1993: 141.3.

OTHER FIXED INTEREST

Stock	Notes	Price £	Wk % Ech'nge	Amnt £m	Interest due	Last xd	City line
African Dev 11⅛ 2010		134 5/16	0.9	60	Ja4 Jy4	1.12	-
Asian Dev 10¼pc 2009		125 13/32	0.8	100	Mr24 Se24	28.3	-
B'ham 11½pc 2012		130⅝	1.6	45	My15 Nv15	17.4	1837
Ireland Cap 8½pc '10		107½	0.5	304	Ap1 Oc1	-	1465
9pc Cap 1998		101¼	-1.2	725	Ja30 Jy30	-	-
13pc '97-2		115	-.4	316	Ap1 Oc1	28.8	1428
Hydro Quebec 15pc 2011		161 5/16	0.7	40	My31 Nv31	27.18	-
Leeds 13½pc 2006		142	1.1	40	Ap1 Oc1	12.3	3146
Liverpool 3½pc Irred.		41	1.2	6	1JaApJeOc	1.0	3169
LCC 3pc '20 Aft.		37¼	2.1	28	1MrJeSeDe	1.8	-
Manchester 11½pc 2007		127	1.2	7	Ap25 Oc25	38.3	3275
Met. Wtr. 3pc 'B'		73½	0.7	25	Mr1 Se1	1.8	3361
N'wide Anglia 3⅞pc 2021		141	1.3	98	Ja30 Jy30	8.1	3465
4¼pc IL 2024		136¼	1.5	60	Fe23 Au23	20.7	-
Utd Mex States 16½pc 2008		146	2.1	50	Mr1 Se1	27.0	-

Continued on next page

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co. and NatWest Securities Limited in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS (Figures in parentheses show number of lines of stock)	FRIDAY OCTOBER 8 1993: US Dollar Index	% chg ($) since 31/12/92	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg from 31/12/92	Gross Div. Yield	THURSDAY OCTOBER 7 1993: US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	DOLLAR INDEX: 1993 High	1993 Low	Year ago (approx)
Australia (69)	150.76	+20.5	145.52	100.54	125.72	152.26	+25.8	3.39	149.87	145.94	99.57	126.46	151.96	150.76	117.39	123.11
Austria (17)	178.19	+27.1	171.99	118.83	148.59	148.48	+26.5	1.06	175.07	170.48	116.31	147.72	147.69	180.43	131.18	151.98
Belgium (42)	153.05	+14.8	147.73	102.06	127.63	131.53	+20.4	4.38	149.92	145.99	99.59	126.50	130.14	156.76	131.19	139.61
Canada (107)	124.58	+7.7	120.25	83.08	103.88	120.16	+12.9	2.82	124.25	120.99	82.54	104.84	118.98	130.38	111.41	113.70
Denmark (32)	236.42	+27.0	228.20	157.87	197.15	209.33	+31.8	1.06	233.92	227.79	155.41	197.38	209.26	236.42	185.11	193.54
Finland (23)	119.33	+71.4	115.18	79.58	99.51	143.59	+87.9	0.72	118.71	113.65	77.54	98.48	141.48	119.33	65.50	56.70
France (97)	173.05	+17.6	167.04	115.40	144.30	152.76	+19.8	3.02	170.77	166.29	113.44	144.06	152.15	173.05	142.72	146.54
Germany (60)	135.56	+30.3	130.85	90.42	113.05	113.05	+29.0	1.86	133.20	129.71	88.50	112.39	112.39	135.56	101.59	106.62
Hong Kong (55)	317.38	+43.2	306.35	211.66	264.68	314.80	+43.0	3.24	319.84	311.48	212.48	269.89	317.21	319.84	218.82	232.37
Ireland (14)	173.17	+27.5	167.15	115.46	144.41	166.44	+41.2	3.37	172.85	168.32	114.83	145.85	167.56	173.99	129.28	135.41
Italy (70)	72.90	+32.9	70.37	48.62	60.78	86.41	+43.1	1.88	73.15	71.23	48.59	61.72	87.51	78.93	53.78	54.23
Japan (469)	156.21	+48.7	150.78	104.17	130.28	104.17	+25.7	0.79	155.76	151.68	103.48	131.45	103.48	165.91	100.75	106.23
Malaysia (69)	442.83	+69.4	427.43	295.30	369.27	433.26	+64.5	1.60	432.17	420.84	287.10	364.65	422.93	442.83	251.66	247.34
Mexico (19)	1674.01	+1.8	1615.80	1116.37	1395.98	5699.48	+1.4	0.87	1680.72	1636.66	1116.59	1418.18	5717.73	1771.56	1410.30	1316.98
Netherland (24)	191.81	+26.7	185.14	127.91	159.95	157.88	+25.6	3.47	189.55	184.58	125.93	159.94	157.76	191.81	150.39	159.44
New Zealand (13)	62.54	+45.8	60.37	41.71	52.18	60.18	+35.8	3.71	62.44	60.80	41.48	52.68	60.31	62.98	40.56	39.52
Norway (23)	181.25	+31.8	174.95	120.89	151.15	172.89	+33.7	1.48	179.02	174.33	118.94	151.06	172.40	181.25	137.71	137.02
Singapore (38)	308.11	+44.4	297.40	205.48	256.94	222.84	+38.0	1.52	309.56	301.44	205.66	261.20	223.68	310.29	207.04	184.91
South Africa (60)	211.44	+42.8	204.08	141.00	176.32	193.64	+23.2	2.71	212.92	207.34	141.45	179.66	190.71	215.29	144.72	158.57
Spain (42)	140.63	+20.6	135.74	93.79	117.28	139.09	+37.4	4.11	138.14	134.52	91.77	116.56	138.06	140.97	115.28	112.14
Sweden (36)	197.57	+19.3	190.70	131.76	164.76	233.91	+34.9	1.44	194.61	189.51	129.29	164.22	232.71	197.57	149.70	152.68
Switzerland (50)	145.10	+28.4	140.06	96.77	121.02	128.44	+23.1	1.72	142.90	139.15	94.94	120.59	126.29	145.10	108.91	114.46
United Kingdom (218)	193.97	+12.5	187.22	129.34	161.74	187.22	+10.9	3.82	191.37	186.35	127.12	161.46	186.35	193.97	162.00	170.06
USA (518)	188.04	+5.6	181.50	125.41	156.82	188.04	+5.8	2.73	187.65	182.73	124.67	158.34	187.65	189.40	175.38	164.62
Europe (748)	162.97	+19.8	157.30	108.68	135.91	150.50	+20.5	3.00	160.75	156.54	106.80	135.65	149.96	162.97	133.92	135.93
Nordic (114)	187.50	+26.4	180.93	125.04	156.36	192.18	+38.2	1.28	184.75	179.91	122.74	155.89	181.20	187.50	142.13	142.26
Pacific Basin (713)	161.83	+47.5	156.20	107.92	134.95	112.45	+27.2	1.06	161.36	157.13	107.21	136.18	111.78	168.80	105.89	110.66
Euro-Pacific (1461)	162.19	+34.8	156.55	108.15	135.24	127.83	+24.2	1.86	161.00	156.78	106.95	135.85	127.19	162.86	117.26	120.88
North America (625)	184.10	+5.7	177.70	122.79	153.55	183.42	+5.8	2.73	183.71	178.89	122.06	155.04	183.04	185.59	171.51	161.45
Europe Ex. UK (530)	143.14	+25.1	138.18	95.48	119.39	129.05	+27.8	2.46	141.18	137.48	93.81	119.15	128.68	143.14	112.51	115.41
Pacific Ex. Japan (244)	216.83	+39.3	209.29	144.62	180.84	201.08	+39.4	2.86	216.26	210.60	143.70	182.50	200.82	216.83	152.70	154.13
World Ex. US (1647)	162.35	+33.7	156.70	108.27	135.39	129.74	+23.8	1.89	161.24	157.01	107.13	136.06	129.10	162.89	118.51	121.75
World Ex. UK (1947)	167.57	+22.6	161.74	111.75	139.75	143.98	+16.6	2.02	166.86	162.49	110.86	140.81	143.43	168.50	134.22	131.98
World Ex. So. Af. (2105)	169.71	+21.5	163.81	113.18	141.54	147.44	+16.0	2.18	168.83	164.40	112.17	142.47	146.86	170.43	137.29	135.21
World Ex. Japan (1696)	179.12	+12.5	172.89	119.47	149.40	172.69	+12.8	2.82	178.04	173.37	118.29	150.25	172.22	179.12	157.47	151.93
The World Index (2165)	169.89	+21.7	163.98	113.30	141.68	147.87	+16.0	2.20	169.02	164.59	112.29	142.63	147.29	170.42	137.32	135.28

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Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local); Nordic: Dec 30, 1988 = 139.85 (US $ Index), 114.45 (Pound Sterling) and 123.22 (Local).

BOSTON INVESTMENT TRUST
1993 Number 1
2,500 Units
Issue Price $10,000

Bank of Boston Trust Company (Bahamas) Limited, as Trustee for the Units, hereby notifies all Unitholders that:

1. Consent of all Unitholders is sought to certain amendments to the Declaration of Trust, which amendments include (i) extension of the time for repayment of principal under the Trust Investments to November 3, 1994, and further extendible, under certain circumstances and at the option of the Trust Investment issuer, to May 3, 1995 or November 3, 1995. Bank of Boston S.A. shall agree with each consenting Unitholder that, at such Unitholder's option, it or its designee shall repurchase such Unitholder's Units on November 3, 1994 and (ii) amendments to notification provisions of the Declaration of Trust;
2. Units of Unitholders who do not give their consent to the above amendments on or prior to October 25, 1993 shall be purchased for the full principal amount thereof plus accrued interest on November 3, 1993.

A more detailed explanation of the above matters has been forwarded to Unitholders via EuroClear System and Cedel S.A. In order to obtain further information regarding the above, please contact: Thanatos Volpon telephone 011-55-11-234-5813.

Bank of Boston Trust Company (Bahamas) Limited
October 11, 1993

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Abdij Nationaal First Capital B.V.

(Incorporated in The Netherlands with its seat at The Hague)

U.S. $100,000,000

Subordinated Guaranteed Floating Rate Notes Due 2003

For the Interest Period 8th October, 1993 to 8th April, 1994, the Notes will carry an Interest Rate of 5.25% per annum. The Coupon Amount payable per U.S. $1,000 Note will be U.S. $26.54, and for the U.S. $10,000 Note, U.S. $265.42, and for the U.S. $100,000 Note, U.S. $2,654.17, payable on 8th April, 1994.

Listed on the London Stock Exchange

Bankers Trust Company, London — Agent Bank

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MONEY MARKET FUNDS

Money Market Trust Funds

Gross | Net | Gross CAR | Int Cr

CAF Money Management Co Ltd
48 Pembury Road, Tonbridge TN9 2JD 0732 770114
Calcash Deposit Fund | 5.42 | - | 5.53 | 3-Mth
Deposits Over £1 million | 5.52 | - | 5.64 | 3-Mth
Deposits Over £2 million | 5.62 | - | 5.74 | 3-Mth

The COIF Charities Deposit Account
2 Fore Street, London EC2Y 5AQ 071-588 1815
Deposit | 5.60 | - | 5.72 | 3-Mth

Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ 071-588 1815
Deposit | 5.60 | - | 5.72 | 3-Mth

Gartmore Money Management Ltd
16-18 Monument St, London EC3R 8QQ 071-236 1425
TESSA Desk 071 236 8362
Call Fund | 4.56 | 3.64 | 4.91 | 6-Mth
7-day Fund | 4.00 | 3.72 | 5.02 | 6-Mth
Special Fund | 4.00 | 3.85 | 4.97 | 1-Mth
Dollar | 1.84 | 1.38 | 1.00 | 3-Mth
TESSA Prime | 5.01 | - | 5.10 | 3-Mth

Money Market Bank Accounts

Gross | Net | Gross CAR | Int Cr

AIB Bank High Interest Cheque Account
Belmont Rd, Uxbridge UB8 1SA 0800 282115
£2,500-£9,999 | 2.27 | 1.70 | 2.29 | Qtr
£10,000+ | 3.74 | 2.81 | 3.79 | Qtr

Aitken Hume Bank plc
30 City Road, London EC1Y 2AY. 021-638 6070
Treasury Account – for professional advisers
£25,000-£49,999 | 5.50 | 4.125 | 5.64 | Mth
£50,000 or more | 5.75 | 4.3125 | 5.90 | Mth
Multiply Inc Acc – for personal and business clients
Up to £9,999 | 4.00 | 3.00 | 4.07 | Mth
£10,000-£24,999 | 4.75 | 3.5625 | 4.86 | Mth
£25,000-£49,999 | 5.25 | 3.9375 | 5.30 | Mth
£50,000 or more | 5.50 | 4.125 | 5.64 | Mth
Money Market quotations – please telephone

Allied Trust Bank Ltd
97-101 Cannon St, London, EC4N 5AD 071-626 0879
FORMINA (£2,001+) | 7.07 | 5.30 | 7.07 | Yearly
TREMINA (£2,001+) | 8.17 | 4.63 | 8.17 | Yearly
TOMINA (£2,001+) | 5.86 | 4.47 | 5.86 | Yearly
DMINA (£2,001+) | 5.64 | 4.23 | 5.64 | Yearly
HICA (£2,001+) | 5.00 | 3.75 | 5.12 | Mth
HIBCA (£2,001+) | 5.50 | 4.13 | 5.64 | Mth
Premier TESSA | 7.56 | 5.67 | 7.56 | Yearly

American Express Bank Ltd
Sussex House, Burgess Hill RH15 9AQ 0444 232444
High Performance Cheque Account
£500-£999.99 | 2.00 | 1.50 | 2.02 | Mth
£1,000-£4,999.99 | 4.50 | 3.38 | 4.59 | Mth
£5,000-£9,999.99 | 4.75 | 3.56 | 4.00 | Mth
£10,000-£24,999.99 | 5.00 | 3.75 | 5.12 | Mth
£25,000-£49,999.99 | 5.25 | 3.94 | 5.38 | Mth
£50,000+ | 5.75 | 4.31 | 5.90 | Mth

Bank of Ireland High Interest Cheque Acc
36-40 High St, Slough SL1 1EL 0753 516516
£10,000+ | 4.25 | 3.188 | 4.310 | Qtr
£2,000-£9,999 | 4.00 | 3.000 | 4.060 | Qtr

Bank of Scotland
38 Threadneedle St, EC2P 2EH 071-601 6446
HM Chq Acc £2,500-£24,999 | 4.35 | 3.26 | 4.44 | Mth
£25,000-£249,999 | 4.60 | 3.45 | 4.70 | Mth
£250,000+ | 5.75 | 4.31 | 5.90 | Mth

Bank of Wales – Business Accounts
Kingsway, Cardiff CF1 4YB 0222 229922
Current Account £25,000+ | 4.00 | - | 4.07 | Qtr
Investment Account £25,000+ | 8.00 | - | 8.11 | Mth

Barclays Select
PO Box 120, Westwood Bs Pk, Coventry 0800 400100
£2,000-£9,999 | 4.30 | 3.23 | 4.30 | Yearly
£10,000-£24,999 | 5.20 | 3.90 | 5.20 | Yearly
£25,000-£49,999 | 5.50 | 4.13 | 5.50 | Yearly
£50,000-£99,999 | 6.00 | 4.50 | 6.00 | Yearly
£100,000+ | 6.50 | 4.88 | 6.50 | Yearly

Barclays Prime Account H.I.C.A.
PO Box 125, Northampton 0604 252891
£1,000-£2,499 | 2.20 | 1.65 | 2.22 | Qtr
£2,500-£9,999 | 2.50 | 1.88 | 2.52 | Qtr
£10,000-£24,999 | 3.00 | 2.25 | 3.03 | Qtr
£25,000+ | 3.60 | 2.70 | 3.65 | Qtr

Brown Shipley & Co Ltd
Founders Court, Lothbury, London EC2 071-606 9833
HICA | 4.675 | 3.695 | 4.995 | Qtr
Prof Deriwns A/C | 4.675 | 3.656 | 4.995 | Qtr

Caledonian Bank Plc
5 St Andrew Square, Edinburgh EH2 2PP 031 556 8235
HICA | 5.5 | 4.125 | - | Yearly

Cater Allen Ltd
20 Birchin Lane, London EC3V 9DJ 071-623 2070
HICA | 4.50 | 3.38 | 4.60 | Mth
Consort £5,000 min | 5.00 | 3.75 | 5.17 | Mth
Overnight | 5.1875 | - | 5.3126 | Mth

Charterhouse Bank Limited
1 Paternoster Row, EC4M 7DH, 071-248 4000
£2,500-£19,999 | 4.25 | 3.19 | 4.33 | Mth
£20,000-£49,999 | 4.50 | 3.38 | 4.59 | Mth
£50,000-£99,999 | 4.75 | 3.56 | 4.85 | Mth
£100,000+ | 5.00 | 3.75 | 5.12 | Mth
$5,000-$49,999 | 1.75 | 1.13 | 1.51 | Mth
$50,000-$99,999 | 2.00 | 1.50 | 2.02 | Mth
$100,000-$199,999 | 2.25 | 1.69 | 2.27 | Mth
$200,000+ | 2.50 | 1.88 | 2.53 | Mth
Many other currencies are available – for rates please phone ext 2168

Clydesdale Bank Flexible Solution Acc
30 St Vincent Place, Glasgow G1 2HL 041-248 7070
£10,000-£29,999 | 4.20 | 3.15 | 4.27 | Qtr
£30,000-£99,999 | 4.23 | 3.17 | 4.29 | Qtr
£100,000-£199,999 | 4.27 | 3.20 | 4.34 | Qtr

The Co-operative Bank
PO Box 300, Skelmersdale, Lancs 0345 252000
TESSA | 8.00 | - | - | Yearly
Pathfinder – Card Based Current Account
All Balances | 5.84 | 4.38 | 6.00 | Mth
Investment 90 – 90 Day Notice Savings
£50,000+ | 6.00 | 4.50 | 6.09 | 6-Mth
£25,000-£49,999 | 5.25 | 3.94 | 5.32 | 6-Mth
£10,000-£24,999 | 4.75 | 3.56 | 4.81 | 6-Mth
£5,000-£9,999 | 3.75 | 2.81 | 3.79 | 6-Mth
Top Tier – Instant Access Savings
£50,000+ | 4.50 | 3.38 | 4.55 | 6-Mth
£10,000-£49,999 | 4.00 | 3.00 | 4.04 | 6-Mth
£5,000-£9,999 | 3.00 | 2.25 | 3.02 | 6-Mth

The Co-operative Bank - Contd.
Business Deposit – Instant Access
£250,000+ | 5.21 | 3.91 | 5.28 | 6-Mth
£50,000-£249,999 | 3.80 | 2.85 | 3.84 | 6-Mth
£10,000-£49,999 | 3.50 | 2.63 | 3.53 | 6-Mth
£500-£9,999 | 3.00 | 2.25 | 3.02 | 6-Mth
30-90 day notice available Tel 061-829 5526

Coutts & Co
440 Strand, London WC2R 0QS 071-753 1000
Coutts Corresponding Account for clients money
15 Lombard Street, London EC3V 9AU 071-623 1010
Rates negotiable up to... | 5.500 | - | - | -

Dao Heng Bank (London) PLC Premier Acc
66 Newman Street, W1P 3LD. 071-631 3313
£2,500-£10,000 | 5.00 | 3.75 | 5.09 | Qtr
£10,001-£20,000 | 5.50 | 4.13 | 5.61 | Qtr
£20,000+ | 6.25 | 4.69 | 6.40 | Qtr
Savings Account | 4.00 | 3.00 | 4.00 | Qtr

Davenham Tst Plc–Davenham 500 Acc
8 St John St, Manchester M3 4DU 061-832 8484
£15,000+ 6Mths | 8.00 | 6.00 | - | 6-Mth
£10,000+ 1 Year | 8.00 | 8.00 | - | Yearly
£5,000 + Fixed Rate Bd 2 Yrs | 9.00 | 6.75 | - | -

Fidelity Money Market Account
Fidelity Brokerage Services Ltd, Oakhill House, Hildenborough, Kent TN11 9DZ
£1-£49,999 | 4.50 | 3.375 | 4.58 | Qtr
£50,000-£249,999 | 5.00 | 3.75 | 5.00 | Qtr
£250,000-£499,999 | 5.625 | 4.219 | 5.74 | Qtr
£500,000+ Money Market Rates on request

Gartmore Money Management Ltd
16-18 Monument St London EC3R 8QQ 071-236 1425
HICA £10,000+ | 4.50 | 3.375 | 4.58 | 3-Mth

Halifax Bldg Soc Asset Reserve Cheque Acc
Trinity Road, Halifax HX1 2RG 0422 335333
Rates for personal customers
£50,000 and above | 6.10 | 4.58 | 6.24 | Qtr
£25,000 to £49,999 | 5.75 | 4.31 | 5.86 | Qtr
£10,000 to £24,999 | 5.40 | 4.05 | 5.81 | Qtr
£5,000 to £9,999 | 4.75 | 3.56 | 4.84 | Qtr
Rates for non-personal customers
£50,000 and above | 5.60 | 4.20 | 5.72 | Qtr
£25,000 to £49,999 | 5.25 | 3.94 | 5.35 | Qtr
£10,000 to £24,999 | 5.00 | 3.75 | 5.09 | Qtr
£5,000 to £9,999 | 4.50 | 3.38 | 4.58 | Qtr

Julian Hodge Bank Ltd
10 Windsor Place Cardiff CF1 3BX 0222 220800
5 Mth Fixed Rate Deposit Acc | 7.00 | 5.25 | 7.12 | -
3 Mth Fixed Rate Deposit Acc | 6.50 | 4.88 | 6.65 | -
1 Mth Fixed Rate Deposit Acc | 6.50 | 4.00 | 6.75 | -

Humberclyde Finance Group
5 Bartley Way, Hook, Basingstoke 0256 760000
£50,000+ | 8.00 | 6.00 | 8.14 | Qtr

Leopold Joseph & Sons Limited
29 Gresham Street, London EC2V 7EA 071-588 2323
Treasury High Interest Cheque Account
£25,001-£100,000 | 5.25 | 3.9375 | 5.3544 | Qtr
£100,001 plus | 5.50 | 4.1250 | 5.6149 | Qtr

Kleinwort Benson Ltd
150 Kentish Town Rd, London NW5 2BT 071-267 1585
H.I.C.A. (£2,500+) | 5.125 | 3.843 | 5.243 | Daily

Kleinwort Benson Private Bank
In division of Kleinwort Benson Investment Management Ltd
158 Kentish Town Road, London NW5 2BT 071-267 1586
H.I.C.A. (£2,500+) | 5.125 | 3.843 | 5.243 | Daily

Lloyds Bank – Investment Account
71 Lombard St. London EC3P 3BS 0273 433372
£100,000 and above | 6.50 | 4.00 | 5.50 | Yearly
£50,000+ | 5.40 | 4.00 | 5.40 | Yearly
£25,000+ | 5.20 | 3.90 | 5.20 | Yearly
£10,000+ | 5.00 | 3.75 | 5.00 | Yearly

Midland Bank plc
PO Box 2, Sheffield 0742 529394
Exchequer Acc £5000+ | 4.25 | 3.16 | 4.29 | Yearly
£10,000+ | 5.00 | 3.75 | 6.00 | Yearly
£25,000+ | 5.50 | 4.12 | 5.50 | Yearly
£50,000+ | 6.50 | 4.87 | 6.50 | Yearly
TESSA | 5.75 | - | 5.75 | Yearly

Nationwide Bldg Soc – Businessinvestor
Business High Interest Cheque Account
Piers Way, Swindon L SN38 1NW 0800 335599
£2,000-£4,999 | 3.00 | 2.25 | 3.05 | Qtr
£5,000-£9,999 | 4.30 | 3.23 | 4.37 | Qtr
£10,000-£24,999 | 4.00 | 3.60 | 4.89 | Qtr
£25,000-£49,999 | 5.30 | 3.98 | 5.41 | Qtr
£50,000+ | 5.80 | 4.35 | 5.93 | Qtr

Portman Bldg Soc Prestige Cheque Account
Richmond Hill, Bournemouth, BH2 6EP 0800 569903
£50,000+ | 6.00 | 4.50 | 6.00 | Yearly
£25,000-£49,999 | 5.50 | 4.13 | 5.50 | Yearly
£20,000-£24,999 | 5.00 | 3.75 | 5.00 | Yearly
£10,000-£19,999 | 4.00 | 3.00 | 4.00 | Yearly
£2,500-£9,999 | 3.00 | 2.25 | 3.00 | Yearly

Royal Bank of Scotland plc Premium Acc
42 St Andrew Sq, Edinburgh EH2 2YE. 031-523 8302
£50,000+ | 5.00 | 3.75 | 5.09 | Qtr
£25,000-£49,999 | 4.80 | 3.45 | 4.88 | Qtr
£10,000-£24,999 | 4.00 | 3.00 | 4.08 | Qtr
£5,000-£9,999 | 2.50 | 1.88 | 2.52 | Qtr
£2,000-£4,999 | 2.00 | 1.50 | 2.02 | Qtr

Save & Prosper/Robert Fleming
16-22 Western Rd, Romford RM1 3LB. 0800 282101
Client Account | 4.50 | 3.38 | 4.60 | Daily
TESSA Fixed 1 Year | 4.41 | 4.58 | 5.00 | Mth
TESSA Variable | 5.37 | - | 5.50 | Mth

Tyndall Bank plc
29-33 Princess Victoria St, Bristol 0272 744720
Deposit Acc | 4.50 | 3.375 | 4.577 | Qtr
HIMA £1,000+ | 4.375 | 3.281 | 4.447 | Qtr
HIMA £100,000+ | 4.625 | 3.469 | 4.706 | Qtr
Moder Plus | 4.375 | 3.281 | 4.447 | Qtr
TESSA | 5.16 | - | 5.25 | Qtr

ULC Trust Limited
1 Great Cumberland Pl, London W1H 7AL 071-258 0084
£10,000-90 day notice | 7.75 | 5.81 | 7.90 | 3-Mth
£10,000-180 day notice | 8.50 | 6.38 | 8.68 | 6-Mth
£25,000 – 1 Year | 8.25 | 6.19 | - | Yearly

United Dominions Trust Ltd
PO Box 135, Abbey St, Reading RG1 3EB
Capital Plus Cheque Account
£1,000+ | 5.25 | 3.94 | 5.35 | Qtr

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, London EC2V 6DS 071-382 6000
Special Acc. | 4.00 | 3.00 | 4.05 | Mth
£10,000 and above | 4.25 | 3.19 | 4.32 | Mth

Western Trust High Interest Cheque Acc
The Moneycentre, Plymouth PL1 1SE 0752 224141
£15,000+ | 5.50 | 4.13 | 5.61 | Qtr
£5,000-£14,999 | 5.25 | 3.94 | 5.35 | Qtr
£1,000-£4,999 | 5.00 | 3.75 | 5.09 | Qtr

Wimbledon & South West Finance PLC
114 Newgate St, London EC1 7AE 071-606 9485
High Int Cheque Acc | 5.50 | 4.13 | 5.61 | Qtr

NOTES– Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax. Net: Rate of interest payable after allowing for deduction of basic rate income tax. Gross CAR: Gross rate annualised to take account of compounding of interest paid other than once a year. Compounded Annual Rate. Int Cr: Frequency at which interest is credited to the account.

AMERICANS

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

ELECTRICALS

ELECTRICALS - Cont.

ELECTRICITY

ELECTRONICS

ENGINEERING-AEROSPACE

ENGINEERING-GENERAL

ENGINEERING-GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

HOTELS & LEISURE - Cont.

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INVESTMENT TRUSTS - Cont.

	Notes	Price	Wk% ch'nge	Div net	Dividends paid	Mkt Cap£m	Last xd	City line
Scot Asian Ptg	♦	231	2.7	—	—	48.5	—	4384
Warrants		55	5.7	—	—	3.89	—	1454
Scot East	♦†□	78	1.6	1.52	Oct May	580.5	0.9	3948
Scottish Inv	♦†□	222	2.3	4.62	Feb Jul	505.0	7.6	3953
Warrants	□	71¼	5.9	—	—	38.6	—	5003
Scot Mortgage	♦□	215	2.1	4.0	Jul Dec	779.1	24.5	6004
Scot National Inc	♦N□	183	1.6	7.8	ApJyOcJa	164.4	15.0	3951
Cap	□	36	9.4	—	—	22.4	—	3960
Stepped Pf		157	—	6.08	Sep Mar	50.1	15.0	3952
Zero Div Pf		228½	—	—	—	145.6	—	3954
Warrants		4	0.7	—	—	0.51	—	3963
Scot Value	†□	98	—	1.8	Jan Jul	46.0	24.5	2706
Sec Alliance	♦N	1568	2.1	39.0	Apr Oct	301.1	20.9	3974
Second Consld	□	167	-4.8	—	—	57.1	—	1670
Second HGSC	□	157	0.6	—	—	26.6	—	2786
Second Market	♦§	388	1.3	2.6	May	41.6	19.4	3976
Sec Tst Scot	♦□	39½	2.8	3.25	Jul Dec	298.7	10.5	3977
Select Assets	□	156	1.3	1.2	Apr	45.1	1.3	6085
Eq Ind Serl		161	2.0	4.25	JaApJeOc	28.6	9.7	4003
Eq Ind Ser II		181	2.0	4.25	JaApJeOc	32.1	0.7	6085
SHIRESCOT	♦N	143	0.7	5.25	DeMcJeSe	18.2	16.6	1335
Shires	♦M	288	4.8	16.2	ApJyOcJa	73.4	20.9	4014
Sham Sstem	♦	157	6.8	1.0	Sep	28.3	2.6	1397
Smaller Cos	□	131	—	2.8	Apr Oct	21.9	7.8	3998
Warrants		67	1.6	—	—	1.91	—	3999
Sphere Inc	□	37	2.8	3.1	MyAuNvFe	44.9	19.7	4278
Zero Div Pf		80	-5	—	—	97.8	—	5227
Units		325	3.4	—	—	—	18.7	2535
Statist		104	—	1.4	May Oct	7.46	20.9	4132
TR City of Lon	♦N□	162½	2.7	4.8	FeMyAuNv	303.6	16.6	4271
TR Euro Growth	♦N□	125	5.9	1.7	Oct	45.4	20.9	4980
Prg Sub		79	2.6	1.35	Oct	2.54	20.9	—
TR Far East Inc	♦†□	165	1.3	4.5	ApJyOcJa	72.1	16.8	4269
Warrants		64½	12.4	—	—	5.04	—	—
TR High Inc		134xd	2.7	0.6	ApJyOcJa	31.8	4.10	2897
Sub	♦	48	0.1	1.0	Jul	1.15	21.8	2936
TR Pacific	♦□	171	4.3	0.35	Apr	114.6	15.3	4581
TR Prop	♦□	32	3.2	0.9	Jan Jul	81.8	7.8	4282
TR Smaller	♦N□	191	2.4	0.8	Mar Sep	340.4	2.8	4285
TR Technology	♦□	169	11.2	1.75	Aug	48.0	18.7	4283
Units		2750	3.8	30.15	Dec Jun	—	10.7	1138
Stepped Pf		143	0.4	6.08	Dec Jun	82.9	24.5	4980
Zero Pf		223½	0.9	—	—	172.1	—	4986
Temple Bar	†N□	339	1.2	13.25	Sep Mar	194.2	16.8	4181
Templeton Em	□	308	4.2	1.8	Sep	312.9	2.8	4980
Warrants		225	6.8	—	—	18.9	—	—
Thompson Clive		190	-5	8.8	Jun	23.2	19.4	—
Thornton Asian	♦□	90	2.1	0.5	Jun	80.0	10.5	6942
Warrants		18	0.1	—	—	3.69	—	0194
Throgmorton Pan Euro		38	—	1.6	May	5.46	29.3	2123
Warrants		1	—	—	—	0.04	—	—
Throg Dual Inc		76xd	2.7	7.1	NvAuMyJa	59.2	4.10	4310
Cap		813	—	—	—	18.9	—	4218
Throg 1000 Smlr Cos	□	177	-.6	2.5	Oct	42.9	6.9	8005
Warrants		27	—	—	—	1.98	—	1232
Throgmorton Tst	♦□	75	-1.3	2.2	Aug Apr	227.9	2.8	4221
Tor Inc		376xd	0.5	40.0	FeAuJyNv	14.2	4.10	4287
Cap		935xd	1.6	4.8	Nov	123.4	4.10	4258
Trust of Prop		34	3.8	1.8	Apr	6.06	1.3	4318
Turkey Trust	♦§	298	0.3	1.8	Feb	42.9	4.1	6299
Warrants		137	-.7	—	—	14.9	—	2178
USDC	♦□	227	0.9	4.8	Apr Oct	83.1	20.9	4389
US Smaller Cos		134	1.5	6.8	Oct	68.6	6.8	4062
Warrants		65	3.2	—	—	6.46	22.12	4070
Value & Inc		112	—	3.8	Jan Jul	47.5	24.5	4389
Venturi		26	—	—	—	2.40	—	—
Inc		43	—	3.45	Jan Nov	2.68	10.5	—
Cap Indexed		245	2.1	—	—	4.90	—	—
Warrants & Value	□	31¼	1.8	—	—	2.4	—	1832
Welsh Indl		175xd	-.6	4.9	Dec	2.38	4.10	4980
Whitbread Inv		741	5.0	16.6	Jan Jul	467.8	7.6	4983
Witan	♦□	212½	1.2	8.8	Mar Sep	767.5	2.0	4626
Worth	□	22	—	0.1	Jan	5.88	24.5	1576
Yeoman Inc	N□	116	—	15.4	Apr Sep	28.3	2.8	4635
Cap	□	227	3.2	—	—	88.9	—	4664
Zero Pf		280	0.5	—	—	39.9	—	1268

Net asset values supplied by NatWest Securities Limited as a guide only. See guide to London Share Service.

INVESTMENT COMPANIES

	Notes	Price	Wk% ch'nge	Div net	Dividends paid	Mkt cap£m	Last xd	City line
Baring Chrysalis		612	-1.1	0.8c	Apr	111.0	—	—
Warrants		116	-.6	—	—	4.21	—	—
C S		368⅞	—	—	—	81.2	—	2549
Baring Secs Em Mkts		780	—	—	—	—	—	—
Baring Pacmi S	Z	1936	4.8	06.4c	Apr	92.1	—	—
Biotech Rd Pf $		186	—	—	—	110.6	—	1834
China & Eastern $	□	185	3.9	06c	Dec	37.7	25.11	2128
Enviromental Inv $		583¼	—	—	—	22.1	—	2102
Warrants		59¼	—	—	—	0.40	—	2561
Euro Assets R	□	293	1.4	020%	Sep Apr	73.1	2.8	2503
Fidelity Jap OTC		575	0.9	—	—	34.5	—	4298
Warrants		119	25.0	—	—	1.28	—	4297
First Pacific $	♦□	18	—	01.15c	—	236.4	—	5257
Five Arrows Chile $	†	1157	-7	060c	May Nov	105.7	4.8	4462
GT Chile Fd Uts	♦Z	1305	-5.6	060c	Sep	139.5	—	4172
Gen Oriental $	Z	467½	-3.5	025c	Apr	—	29.3	—
Genesis Chile $	□	1425	-1.8	060c	Jan	141.0	13.1	1446
Warrants		695	—	—	—	—	—	—
Genesis Em Mkts $		1636	-2.4	026c	Sep	165.8	30.8	4967
Genesis Malay $		1014	—	—	—	25.4	—	3712
Gowett Am End $		77	4.1	01.4c	Jan Jul	46.2	5.7	4986
Hungarian Inv $		573½	7.3	—	—	73.5	—	4279
India Fund		258	—	01.6	Aug	243.0	25.8	—
Indonesia Eq Fd		402½	—	—	—	12.1	—	—
Warrants		28½	—	—	—	0.19	—	—
Inv Inv Tst Jay		465	—	018.0	Nov Apr	8.87	29.3	2990
Inv Tst Guernsey	†	70	1.4	2.2	Oct May	51.7	16.8	2986
JF Pacific Jap Y	□	220	0.5	—	—	138.5	—	2589
Warrants		41½	-3.5	—	—	3.70	—	3595
JF Japan OTC Inc		748	-2.4	—	—	44.7	—	1070
Warrants		285	6.8	—	—	3.42	—	1677
JF Pacific Wrt		388	2.6	—	—	24.7	—	3038
Warrants		30	20.0	—	—	0.38	—	3038
Pf (Regd)		5850	-8	—	—	29.3	—	3039
JF Philippine $		764½	—	—	—	86.6	—	2114
Warrants		146	-7.2	—	—	2.22	—	2119
Jakarta Fund $		919	-1.8	—	—	18.4	—	5389
Japan Warrant		119	-5.6	—	—	17.9	—	1090
Warrants		12	43.3	—	—	0.36	—	1088
Jersey Phoenix	N	110	2.8	4.2	SeOcMarJe	22.4	10.9	4817
Warrants		24	14.3	—	—	0.72	—	4994
Latin Am Extra	♦	748	1.2	012.4c	OcJaApJy	48.4	—	1303
Malacca Fd $		952	-1.2	—	—	33.3	—	3636
Mauritius Fund		748	—	—	—	—	—	1429
Mexico Fund		1569	-4.4	078.8c	Jan Jul	541.8	29.8	3363
Perambe		58	—	1.1	Jul Oct	3.26	20.9	3994
Portugal Fd Pf		355	-5.3	—	—	14.2	—	5007
Robeco N.V.		6414¼	3.1	035.2%	May	5,400	21.4	—
Sub Fl		418	3.2	035.2%	May	—	21.4	3849
Rolinco N.V.		6414¼	1.2	021.8%	May	4,478	21.4	—
Sub Fl		413	1.2	021.8%	May	—	21.4	3851
Schroder Jap Wrt		74	-6.9	—	—	7.38	—	5196
Warrants		12½	—	—	—	0.21	—	5242
S'pore SESDAQ $		998	—	03c	Mar	38.0	13.2	5364
Sth American Fd		177	-1.1	—	—	92.9	—	2968
Warrants		67½	1.5	—	—	4.34	—	2993
SE Asia Wrts		704	—	—	—	11.9	—	—
Spanish Smlr Co's		466	-1.1	—	—	6.10	—	—
Warrants		70¼	-1.4	—	—	0.28	—	—
Thai Euro Fd		1827	—	022.2c	Jan	122.8	—	3820
World Trust Fund		697	—	—	—	97.4	—	2823
Warrants		424	—	—	—	12.4	—	2824

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MEDIA

	Notes	Price	Wk% ch'nge	Div net	Dividends paid	Mkt cap£m	Last xd	City line
Abbott Mead	†	543	0.7	0.3	3.8 Jun Nov	29.3	15.8	1580
Abacus		191	—	3.8	1.8 Apr Oct	20.9	15.2	1522
Aegis	♦†N□	36½	1.4	1.38	— Oct	24.8	4.11	4451
8¼pc Cv Pf		74	-1.3	093¾%	— Jan	16.11	2.32	4206
Allied Radio		9½	—	—	—	—	—	2653
8pc Cv 2001		286	—	08%	— Nov Sep	16.8	1101	—
Anglia TV	N□	365xd	-1.4	9.26	2.3 Nov Apr	4.10	1611	—
Avesco		98	0.5	—	—	2.92	—	4980
BBB Design	♦	13	—	—	—	6.92	1779	1988
Birkdale	n	11	—	—	—	0.42	1.6	1641
Black (A & C)		338	-.6	13.8	1.0 Jul Nov	24.5	24.5	1831
Blenheim	♦†N□	322	-.6	9.0	2.6 Jan Dec	24.5	—	2653
8 4p Cv Pf		84¾	—	—	—	—	—	1878
Border TV	♦	134	—	3.3	9.4 Oct Nov	0.9	16.8	1954
Bristol Evg	N	348	-.5	11.76	0.9 Feb Jul	7.8	1954	—
CIA	♦†	343	4.3	4.35	3.6 May Oct	16.8	1395	—
Capital Radio	□	223	1.4	5.25	1.8 Jan Apr	29.3	2068	—
Carlton Comms	†□	757	-1.3	17.0	1.8 Apr Aug	19.7	2073	—
0½p Pf		110	-.9	0.5	— Jan Jul	10.5	4698	—
Central ITV	†	204xd	0.5	38.0	2.4 Nov Jul	4.10	2041	—
Chiltern Radio		95	-1.0	—	—	—	12.91	2541
City of Lon Ord PR	♦N	79	-1.3	3.85	1.5 Jan Jul	21.8	5123	—
Daily Mail A	†□	1284¼	0.3	130.0	3.3 Feb Jul	21.8	2286	—
Dorling Kindersley	□	305	4.1	3.3	⊕ May Nov	19.4	1958	—
EMAP	♦N□	350	-1.7	7.8	2.0 Jan Aug	21.9	2457	—
Elsevier Fl	†	833	1.7	028.1%	3.1 Oct May	—	—	—
Euromoney	†	1123	2.3	29.5	1.5 Jan Jan	24.5	3283	—
Fitch		179½	17.4	—	—	9.90	2584	—
Flextech	♦□	154	6.8	0.5	—	7.0	2607	—
GWR	♦†	585	1.2	7.6	2.7 Sep Apr	5.7	4902	—
Gold Greenlees	□	225	-10.9	8.3	1.8 Apr Oct	20.9	2716	—
Goodhead		22	—	0.5	— Mar	10.10	2723	—
Grampian TV A		243	-.8	0.1	2.4 Jan Jul	10.5	2752	—
Greenwich Comms	♦	26	—	—	—	—	2772	—
HTV	†	40	14.9	—	—	6.91	2787	—
Harrington K'dale	†	227xd	-3.2	4.5	2.7 Nov Jul	4.10	1802	—
Haymarket Publ	♦N	458	-1.1	3.8	3.9 Apr Nov	20.9	2868	—
Hodder Headline	♦†	335xd	0.1	4.5	2.5 May Oct	4.10	2911	—
Holmes March	□	40	-1.2	—	—	2.4	2922	—
Home Counties	‡	127	-1.5	6.8	8.3 May Oct	20.9	2914	—
Independent IE	†N	375	—	046.6%	2.3 Jun Sep	6.8	1443	—
Interscreen Tech	♦	165xd	0.6	7.5	⊕ Apr Nov	4.10	2983	—
Intl Bus Comms	N□	149	—	—	—	—	2967	—
Johnston Press		573xd	-1.1	6.25	3.5 Nov May	4.10	4863	—
LWT	N□	503	-.4	4.92	4.4 Dec Jun	24.5	3219	—
Lopex		26	—	—	—	9.91	1858	—
Mill	♦	36½	4.3	—	—	—	2454	—
Warrants		22½	-2.2	—	—	—	2653	—
Metal Bulletin	†	220	6.8	6.8	1.7 Oct Apr	10.9	1878	—
Moto Radio	♦	280	—	5.0	1.8 Jul Jan	7.8	1405	—
Mirror Group	□	180	—	—	—	9.91	2985	—
More O'Ferr		33xd	0.8	13.2	9.7 May Nov	4.10	3415	—
News Corp A$		490	-1.7	03c	1.3 Oct Apr	17.0	3496	—
News Int Spec Div	N□	267	-.7	1.37	16.4 Oct Apr	20.9	3497	—
Novo	♦N	35	—	1.5	1.7 Jan Oct	16.8	2444	—
Osprey Comms		34½	—	6.2	— Apr Sep	8.8	3589	—
Pearson	♦N□	527	-2.4	12.0	1.5 Jan Nov	20.9	3820	—
Ports & Hotels	♦N	618	—	9.46	3.8 Aug Dec	21.8	3987	—
Premier Health	□	2¼	16.8	—	—	—	2271	—
Principality	♦□	29	7.4	—	—	7.90	4730	—
Quarto	†N	285xd	0.4	8.37	2.8 Dec Jun	4.10	3739	—
Radio Clyde	♦N†	322	—	8.8	1.5 Feb Jul	7.8	3798	—
Reed Intl	†□	737	2.1	17.0	1.3 Oct Apr	6.9	3798	—
Readers	†□	1518	0.9	21.2	2.5 Sep Apr	2.8	3815	—
Scandal		162	—	—	—	—	3886	—
Scottish TV	♦□	412	-5.5	9.83	2.0 Nov Jun	10.4	3985	—
SelectTV	♦□	23¼	6.7	—	—	4.92	3993	—
Shandwick	♦□	21	2.4	—	—	—	3995	—
Sherry Kids	♦	41	12.3	—	—	—	5068	—
Southern Radio	□	95	-1.6	0.79	2.6 Jan Jul	7.6	5035	—
Southnews	♦	150	0.7	2.1	2.6 Aug Jan	21.8	5061	—
Sterling Pub	♦N□	165	-1.2	3.8	2.6 Nov May	6.9	4111	—
Storm	♦□	15	42.9	—	—	—	2290	—
Sunset & Vine	♦	128	—	3.5	2.3 Nov May	29.3	5363	—
Telegraph	†N□	367	0.5	11.0	1.1 Apr Sep	6.9	2780	—
Taylor Nelson	♦†□	27¼	—	0.3	2.3 Jan Jul	24.5	1820	—
Thomson		52	2.0	0.5	1.3 MeJaSeDe	16.8	2294	—
Trans World	♦	735	—	022.5c	2.8 Apr Oct	20.9	2394	—
Trinity Intl	†□	498	-.2	16.0	3.3 Oct Jun	20.9	4386	—
Ulster TV	♦□	528xd	-.6	21.5	1.6 Dec Jul	4.10	4379	—
Utd News	♦□	74	8.0	3.4	1.6 Jan Dec	10.5	4501	—
VTR	N□	101xd	-1.5	1.0	—	4.10	4544	—
WPP		0	20.8	—	—	—	4857	—
Warrants		761	1.9	11.58	2.1 Nov Apr	20.9	4442	—
Watmoughs	†	231	-1.3	12.0	2.3 Apr Jul	24.5	4582	—
Yorkshire Tyne-T	□	61	5.2	—	—	—	—	—
Warrants								

MERCHANT BANKS

	Notes	Price	Wk% ch'nge	Div net	Div cov.	Dividends paid	Last xd	City line
Barings 8pc Cm 2nd Prf		111¼	0.5	8%	—	June Dec	10.5	—
6¾pc Non-Cum Prf		133½	1.1	9¾%	—	Jan Jul	10.5	1421
Close Bros	♦N	442xd	6.9	11.5	2.4 Apr Oct	4.18	2186	
Hambros	♦□	982	1.9	14.6	1.5 Dec Aug	21.6	2612	
7½pc Cv Pf		198	-8	7½%	— Apr Oct	6.9	4386	
Joseph (L)	♦	423	1.2	16.5	— Jan Sep	2.8	3069	
Kleinwort Benson	♦†□	489	2.5	16.8	1.6 May Oct	16.9	3102	
Rea Bros	♦†□	52	—	0.5	1.7 May Oct	6.9	3786	
Schroders	♦†□	1286	1.6	11.5	4.5 Oct Apr	20.9	3939	
NV	†n	1173	1.1	11.5	4.5 Apr Oct	20.9	3941	
Singer & Fried	♦HN	21	1.3	3.0	— Nov Jun	20.0	4028	
Warburg (SG)	♦HN	840	5.4	10.6	2.1 Jul Dec	7.8	4425	
Wintrust	♦	313	9.8	9.3	1.2 Oct Nov	15.0	4524	

METALS & METAL FORMING

	Notes	Price	Wk% ch'nge	Div net	Div cov.	Dividends paid	Last xd	City line
ASW	N□	281	-3.8	6.0	—	May Nov	20.9	5084
Apollo Metals	†	98	—	3.45	1.8 Jan Jul	7.8	1489	
Ash & Lacy	♦	145	0.7	6.4	1.8 Nov Apr	29.3	1663	
Bilston (J)	†	252	—	5.0	4.0 Oct May	20.9	1829	
Brit Steel	N□	126½	0.4	1.0	— Aug	5.7	3371	
Cl	†□	22	—	1.0	1.0 Jul Jan	24.5	2139	
Castings		216	—	4.95	3.3 Jan Aug	7.8	2978	
Chamber & Hill		175	-2.5	6.25	2.8 Jul Dec	24.5	2100	
Cohen (A)	‡	263	16.8	8.8	— Feb Aug	21.8	2181	
Cook (Wm)	□	254	10.4	5.0	3.3 Jan Oct	18.8	2232	
Cooper (F)	†□	76	1.4	2.0	0.5 Jul Feb	10.4	2235	
Ferraris	†□	65	8.3	1.0	3.9 Jan Jul	24.5	4091	
Firth (GM)	□	11½	—	—	—	—	2791	2578
GBE Intl	‡	73	—	0.5	—	Jan	—	2370
Garton	†	94	-4.1	4.8	—	Jul Dec	24.5	2859
Glynwed Intl	□	318	2.9	11.65	2.9 Jul Dec	24.5	2711	
Goodwin		36xd	1.4	0.88	⊕	Nov	4.10	2725
Johnson & Firth	□	49	—	3.0	1.1 Feb Jul	21.8	3045	
Johnson Matthey	♦N□	457	-.4	10.5	2.0 Feb Jul	21.8	3052	
Kobe Steel 7		178	—	012%	⊕ Sep Dec	—	10.7	1138
Lindustries	♦†	109xd	-1.4	3.75	1.7 Oct May	4.10	3167	
Manganese Bronze	♦†	86	-1.5	1.0	— Dec Apr	29.3	3280	
Melexis	♦	85	—	—	—	4.92	3362	
Morris Ashby	♦	177	0.0	5.4	2.4 Mar Oct	10.7	4831	
Pacifical Metal		90	—	—	—	8.86	3754	
Richards Grp	‡	75xd	—	4.4	—	Jan Nov	4.10	3921
Skramstad		174	2.5	010c	1.5 Nov May	—	—	—
Syscapsco	□	3¼	—	—	—	—	—	4183
Thyssen DM		1711	2.8	018.8%	—	Mar	28.3	4226
Tinsley (Eliot)	♦N	101	—	5.45	1.2 Feb Oct	2.8	4236	
Triplex Lloyd	N□	186	—	7.5	1.2 Feb Oct	2.5	4312	
Utd Industries	♦N	121½	-3.8	—	—	—	7.91	4989

MISCELLANEOUS

	Notes	Price	Wk% ch'nge	Div net	Div cov.	Dividends paid	Last xd	City line
AB Consulting	N	40	—	1.0	—	Apr Oct	2.8	3991
Abbeycrest		63	5.1	3.2	1.2 Nov May	29.3	1502	
Alexprung	n	280	—	4.5	3.5 Jun Jul	6.8	1539	
Alumasc	N	570xd	-2	11.75	2.9 Apr Oct	4.10	1375	
Amberley	♦	49xd	—	1.8	—	Oct	16.8	3998
Appld H'graph	♦□	71	-1.4	—	—	—	—	3665
Ashley	♦□	14½	-8.0	0.96	—	Jan	10.1	1865
0¼p Oct Cv Pf		99	—	8.25	—	Mar Sep	16.6	4814
Aspen Comms	♦♦	128	—	4.8	2.2 Oct Jan	20.0	3999	
Attwoods	□	128	-8	3.8	1.3 Aug Feb	21.8	1683	
BAT Inds.	†♦N□	466	0.8	10.5	1.7 Oct May	2.8	1717	
12¼pc Ln '03/08		2131	0.9	012¼%	26.4 Jan Dec	10.10	5040	
Bario Ir		82		06.7%	6.2 Jul	21.8	5270	
Beckenridge	♦□	0	-16.7	—	—	—	7.91	4858
Bilston B'ears	♦	28	—	—	—	—	4.91	1829
Bimec	N□	6¼	—	—	—	—	11.91	1824
Blobby		200	-5	3.53	2.3 Mar Sep	5.7	2584	
Black Arrow		38	—	2.6	1.2 Oct Jan	10.8	1842	
Block (P)	♦□	233	1.3	3.7	3.1 Apr Oct	20.9	1844	
Bluebird Toys	♦♦	534	9.0	4.8	0.1 May	29.3	1858	
Brit B'stock	♦♦	70	17.9	—	—	—	—	1901
Brit Thornton	♦N□	156	—	2.5	3.8 Feb	10.8	3336	
Bullers	□	2¼	—	—	—	—	—	2003
Business Tech	N□	18	-3.0	—	—	—	—	3589
Calderburn		171	—	7.7	1.6 Apr Oct	20.9	2224	
Cassidy Brothers	♦♦N	99	1.5	2.4	2.5 Apr Aug	2.8	3078	
Chemring	♦†	319	-6.2	8.18	2.0 Jan Jul	21.8	3179	
Christies Intl	N□	203	3.6	1.8	2.7 Oct May	20.9	2132	
Coletax & F	□	49	-3.9	1.0	— Oct Apr	16.8	8127	
Copymore	♦□	71	—	1.8	3.3 Sep	6.8	4760	
Cornwell P'ker A	♦N	144xd	—	5.7	1.3 Apr Nov	4.10	3601	
Coxall	♦♦	133	—	10.75	6.7 Jan Aug	10.7	2245	
Danks Bus Syst	N□	284	10.9	1.13	7.7 Jan Aug	24.5	1593	
Delaney	□	63½	—	—	—	4.90	2331	
Dimlo Heat	†	27	—	0.95	1.3 Oct Jul	16.4	2353	
Dudley Jenkins	♦♦N	70	-7.9	3.1	1.4 Sep Mar	16.0	4941	
EFL	♦	12½	—	—	—	—	—	2415
Ebbet		25	—	—	—	—	7.91	2433
Easelite SW		866	—	042%	—	May	26.5	2495
Eurocopy	♦□	76	4.1	1.6	1.6 Apr Sep	18.7	6103	
Excalibur	N□	24	14.3	0.5	— Oct Apr	2.9	2514	
Faber Prest	†	398	-7	12.0	3.2 Jan Jul	21.8	3667	
Fairway Group	♦†	68	1.5	3.15	1.1 Oct Apr	18.8	4599	
FII		348	-1.4	14.75	⊕ Jan May	15.3	2561	
Fine Decor	♦	273	1.1	7.5	1.7 Jan Nov	—	3712	
Flagstone		27½	—	—	—	—	—	2838
Forges	N	273	-5.2	018.6%	2.9 Nov Mar	30.6	—	—
McLeod Russel	□	104	2.8	0.6	1.3 Jan Jul	21.6	3323	
Minnet		3¼	7.1	—	—	—	2434	
Noble	♦	191	—	4.8	2.1 Oct Mar	2.8	3504	
Norbain	♦□	236	—	1.8	7.5 Oct	20.6	3505	
Nu-Swift	□	338	4.6	—	—	8.92	3539	
Office & Elect		73	-8.6	0.1	— Dec	2.11	3550	
Osborne & L	♦N	171	1.2	4.8	2.0 Jan Jul	21.8	3988	
Pentland	♦□	57	9.0	2.5	2.8 Nov Apr	20.9	1977	
Proto-Me	♦□	307	-6.8	4.5	⊕ Apr Jan	20.9	3505	
Pittards	†□	56	3.7	2.0	1.8 May	29.3	3998	
Plantubrook		60	1.2	3.0	1.8 Jul Nov	20.9	5292	
Platignum	□	47	-11.3	0.5	4.6 Jan Oct	20.9	3673	
Porth	♦	6	—	—	—	—	10.91	4150
Portmahon	♦	435	4.6	7.75	2.9 Oct May	6.9	1094	
Relyon	†	280	5.5	4.8	1.7 Oct Jan	18.8	3805	
Rotino	♦□	41	-1.2	—	—	—	3368	
Ricardo	♦□	174xd	0.1	5.7	⊕ May Nov	4.10	3819	
Ross Grp		29	3.6	0.65	3.5 Nov Jul	19.4	4496	
Rothmans O		634	-6	11.3	3.7 Jan Aug

4 pm close October 8

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

1993 High	Low	Stock	Div	Vol. %	P/E	Sls 100s	High	Low	Close Quote	Chge Prev. Close
14⅝	11½	AMR Corp	0.48	3.6668	157	135	13⅝	13⅛	13⅛	-½
29⅞	13¾	A L Labs A	0.16	1.0	35	282	17⅞	11½	17½	-½
67¼	64⅝	AMP Inc	1.80	2.6	28	1364	64⅞	64⅝	64⅝	-⅛
72¾	55½	AMR			19	4088	64½	63¼	62⅝	-⅛
3⅞	1⅛	AMX			13	346	u3⅞	3⅝	3⅝	-⅛
51½	29⅞	ASA	2.00	4.4	20	825	45⅝	45½	45½	+½
30¾	22⅝	Abbott Lab	0.92	2.8	16	12611	28¾	28⅝	28¾	-⅛
12⅝	8¼	Abbtst Pr	0.50	5.9	3	15	8½	8½	8½	
15¼	8¼	Acglaxsln			48	850	u15¼	15	15¼	+⅛
36	25½	ACE Ltd	0.32	2.8		850	33¼	32	33¼	+⅛
12	10¼	ACM Gvt In	0.96	8.4		200	11⅝	11⅝	11⅝	+⅛
16	9¼	ACM Gvt Opp x	0.80	6.1		18	u10	9⅞	9⅞	
8⅝	6¼	ACM Gvt Sp x	0.80	6.2		135	9¼	9⅛	9¼	
11⅝	10½	ACM Gvt Sec x	0.96	8.3		411	11½	11½	11½	
11⅝	9⅝	ACM Mun x	1.08	9.3		144	u11⅝	11½	11½	
0⅞	8⅝	ACM Managd x	0.72	7.8		100	9¼	0⅝	9¼	
12⅝	7⅝	Acme Dlsco	0.44	4.6	12	55	9½	9⅛	9⅛	+⅛
9¼	8⅛	Acme Elect			46	314	6⅞	6½	6⅝	+⅛
27⅞	15⅝	Acordia	0.44	1.7	18	124	26	25½	26	+⅛
16	10⅝	Acsession			92	171	12⅛	12	12	
21¼	18¼	Adams Expr	0.40	2.5	0	100	13	16⅞	16⅞	
66¼	45½	Ad Micro	3.00	0.0		1236	51	49¼	50	
32¾	17⅞	Ad Micro P	3.00	14.6		724594	31⅛	20	29½	+⅛
7⅞	5¼	Adwest Grp	0.16	2.3	12	9	7	6⅞	7	+⅛
24¾	18¼	Adva Inc	0.08	0.5	16	306	15¼	u14¼	14¼	-⅛
59¼	41⅞	Aegon ADR	1.23	2.5	16	867	u56⅞	55	55	
61¼	42¾	Aetna Lf	2.76	4.5	43	4866	u62⅞	61¼	61½	+⅛
34	28½	Affac	0.40	1.3	15	486	31⅞	31¼	31¼	+⅛
22¼	15¾	Ahmanson	0.36	4.8	8	3847	19⅞	19¼	19¼	
7¾	3⅝	Aileen Inc			5	00	3⅞	3¾	3¾	+⅛
48½	24⅞	Air Pr Chem	0.52	2.4	18	1966	39½	38½	39⅛	+⅛
28½	18¼	Airbne Frt	0.30	1.2	22	418	24⅞	24½	24½	
33½	18¼	Airgas Inc			43	255	39⅞	38⅞	38	
15⅞	10½	Airlease x	1.72	11.7	11	41	14⅞	14¼	14¼	
108¼	101	AlbPwd.16	0.16	7.7		z100	100	100	100	
107	102¼	Alch 9.28C	7.28	7.1		220	102⅞	102⅞	102⅞	
18	12¾	Alaska Air	0.20	1.6	2	192	13	12⅞	12⅞	-⅛
19	14¼	Albany Int	0.35	2.8	00	230	17¼	17⅞	17⅞	
28¼	20¼	AlCstr 6	0.25	1.2	15	224	21	20½	20⅞	+⅛
25¼	17	AlCstr A	0.23	1.5	13	18	17⅞	17⅞	17⅞	+⅛
29⅞	23½	Albertsons	0.36	1.4	00	2046	25⅞	25½	25⅞	+⅛
21⅞	16⅞	Alcoa Alum	0.30	1.6	92	1615	19⅞	19	19⅞	
50⅞	35¼	Alco Stand	0.00	2.1	19	523	48¼	44¼	46¼	+⅛
30½	19⅞	Aleidhouse	0.60	2.0	8	384	29⅞	28½	28½	
26⅞	19⅞	Alexr Alex	1.00	5.0	21	656	20	u19¼	20	
24⅞	11	Allegh Ltd	0.48	2.2	22	637	22⅞	22⅞	22⅞	+⅛
59⅞	46⅞	Allegh Pow	3.24	6.8	14	999	54⅞	54	54¼	+⅛
48	39	Allen Gp	1.72	4.0		11	43½	42½	43½	
58⅞	25⅞	Allen Con	0.24	0.5	30	322	u24¼	61⅞	61⅞	+⅛
26⅞	21	Allergan	0.42	1.9	13	330	21¼	u20¼	21⅞	+⅛
25⅞	16¼	Alliance Cap	1.40	5.4	29	143	u25⅞	25⅞	25⅞	+⅛
10¼	8⅞	Alliance Cl	0.18	1.9		192	9⅞	9⅞	9⅞	+⅛
28⅞	18¼	Alld Irish	0.89	3.7	14	z100	23⅞	23⅞	23⅞	
74⅞	57½	Alld Sig	1.16	1.6	17	4718	72	71½	72⅛	+⅛
11⅞	9⅞	AllstMuTr	0.78	6.9		169	u11⅞	11⅞	11⅞	
9⅞	7½	AllstMuOp	0.63	7.3		401	8⅞	8½	8⅞	
10½	8⅞	AllstMunc	0.72	7.7		120	9⅞	9⅞	9⅞	
19¼	8⅞	AllstMunc	0.92	5.9		21	16¼		16¼	
34¼	23	Allstd Crp	0.00	2.1	23	692	00½	29⅞	29⅞	+⅛
7¼	4	Allwaste			13	225		4¼	4¼	
59	39	Alcoa	1.92	2.4	138	1621	66⅞	67⅞	67⅞	+⅛
47⅞	19½	Altra Cp A			22	2507	51⅞	20⅞	21⅞	
12¼	10⅞	AmGnvlnc	0.96	8.3		156	11⅞	11⅞	11⅞	
8	5¼	Am Precis	0.24	3.1	00	23	7⅞	7½	7⅞	
25¼	16	Amax	0.40	1.1	7	2661	23⅞	23¼	23⅞	+⅛
16⅞	6⅞	Amax Gold	0.08	1.1	6	2100	7	6⅞	7	+⅛
22½	15½	Amcast Ind	0.48	2.5	12	103	19¼	19	19	
66¼	43¼	Amerada Hs	0.60	1.1	44	1295	53⅞	52⅞	53⅞	+⅛
10¼	9½	Am Adj R x	0.48	4.9		51	9⅞	9⅞	9⅞	
00¼	14¼	Am Barrick	0.02	9.1	30	10620	24⅞	23½	24⅞	+⅛
40⅞	28½	Am Brands	1.97	0.5	6	2604	33½	32½	33⅞	+⅛
21¼	14⅞	Am Build M	0.00	2.9	11		17	16¼	17	
21	21¼	Am Bus Prd	0.75	3.6	13	16	22⅞	22⅞	22⅞	
8⅞	7¼	Am Cap Inc x	0.17	9.9		127	7⅞	7⅞	7⅞	+.00
21⅞	20	Am Cap Bd	1.54	7.3	36	86	21	20⅞	21	+⅛
23½	20¼	Am Cap CV	1.09	4.9	0	40	22¼	22	22¼	
33¼	46	Am Cyanamid	1.72	3.2	212	1675	55¼	55	55¼	
48¼	32	Am El Power	2.40	8.3	14	2653	38	37⅞	38	
36⅞	22⅞	Am Express	1.08	2.5	30	11221	30½	34⅞	35⅞	+⅛
36½	27¼	Am Genl Co	1.10	3.2	12	3619	24¼	33½	34	
9⅞	6¼	Am Govt Inx	0.17	0.1		86	8⅞	9½	9½	
28¼	18⅞	Am Hdh Pr	2.24	1.6	8	145	u28⅞	28⅞	28⅞	
25¼	18½	Am Heritge	0.60	3.2	12	348	19⅞	18¼	19	
69	56½	Am Home Pr	2.84	4.7	12	3248	59⅞	58⅞	59⅞	+⅛
2½		2 Am Hotels	0.75	35.3	17	74	2⅛	2⅛	2⅛	
108¼	73½	Amer Intl	0.40	0.4	17	4085	95¼	94	94⅞	+⅛
12¼	11	Am Opp Inc x	1.00	0.5		51	11⅞	11⅞	11⅞	
57¼	17⅞	Am Pmcdt	0.60	1.1	15	726	52⅞	50¼	52¼	+2½
6½	5⅞	Am Real Es	0.50	5.7	8	283	9	8¼	8¼	
2⅞		1 Am Ship Bd			31	00	1⅞	1½	1¼	
49¼	38¼	Am Stores	0.80	1.9	12	1324	42¼	41¼	42	
65	56¼	AT&T	1.32	2.3	19	14457	58¼	57⅞	57¼	
22½	18½	Am Wstr 5%	1.25	5.6		3	u22½	22½	22½	
32¼	24⅞	Am Wtr	1.00	3.2	14	256	31	30⅞	30⅞	
91¼	70¼	Ameritrch	3.68	4.3	18	3247	86	84⅞	84⅞	
38⅞	30⅞	Ameron Inc	1.28	3.5	14	68	37⅞	36⅞	36⅞	
17½	12⅞	Ametek Inc	0.88	4.6	16	108	14	13¼	13¼	
59¼	49¼	Amoco	2.20	3.8	15	1941	58⅞	55⅞	56½	
10¼	6¼	AmpcoPitt	0.20	3.0	16	49	6¼	6⅞	6⅞	
7⅞	2½	Amrp Inc	0.12	4.0	6	149	3	3	3	
25⅞	29¼	Amsouth	1.18	3.9	10	344	30¼	29⅞	30	
4⅞	2⅞	Anacomp			11	309	3	2⅞	3	
51¼	25⅞	Anadarko	0.20	0.9	46	5688	48⅞	46¼	48⅞	+1⅞
28	15¼	Analog Dev			22	2416	25	23⅞	24⅞	
27¼	22½	Angelica	0.94	3.7	25	32	25⅞	25⅞	25⅞	
60¼	43⅞	AnhzBusch	1.44	3.1	13	3422	48¼	46¼	46¼	
27⅞	20	ANR PrdPf	2.67	12.8		9	20¼	20¼	20¼	
44⅞	30¼	Anheuch			14	99	33	32⅞	32⅞	
16⅞	12	Anthony In	0.44	2.8	16	19	15⅞	15⅞	15⅞	
59½	33	Aon Corp	1.60	3.3	16	237	54⅞	54⅞	54⅞	
33½	17⅞	Apache Crp	0.28	1.8	21	4090	20⅞	27⅞	27⅞	-1
11	9½	Apex Mun F	0.77	7.1		296	10⅞	10⅞	10⅞	
14¼	6½	APH			46	968	14	13½	14	
105	100	AppalPwr7	8.12	7.8		5	104	104	104	
14¼	5⅞	Appld Mag				5 1505	5	5⅞	5⅞	
18½	15⅞	Appl Pwr Pa	0.12	0.7	21	7	17½	17½	17½	
26¼	20	ArcherDan	0.10	0.4	14	3133	22⅞	22⅞	22⅞	
47¼	39¼	Arco Chemcl	2.50	6.0	16	117	42⅞	41¼	42	
10⅞	7⅞	Arda	0.28	3.2	27	1621	8¼	8½	8⅞	
43¼	36⅞	Arkla Pl	3.00	7.8		8	42⅞	42	42⅞	
50¼	42⅞	Armco A SP	4.50	9.0		9	50⅞	48¼	49⅞	
8¼	5⅞	Armco Inc			114	641	5⅞	6⅞	6⅞	
27½	21	Armco 2.19	2.18	8.3		10	26¼	25¼	25¼	
42½	28¼	Armstrong	1.20	2.9	23	651	41¼	47½	41⅞	
42¼	26½	Arvin Elec			16	3639	37⅞	35⅞	36⅞	
5¼	3	Artra Crp			0	267	5¼	3¼	3¼	
37¼	26⅞	Arvin Ind	0.76	2.9	13	367	26⅞	u26⅞	26⅞	
28⅞	16⅞	Ascarco Inc	0.40	2.3	7	534	17½	17⅞	17⅞	
21½	22	Ashld Coal	0.48	1.4	23	12	29⅞	28⅞	25	
25½	24¼	Ashland Oil	1.00	2.9	89	2280	34⅞	34⅞	34⅞	
19½	12⅞	Asia Pac F	0.09	9.5		116	u19¼	19	19¼	
7⅞	3¼	Aset Inv	0.40	7.3	1	545	5⅞	5⅞	5⅞	
41	25½	Ass Nt Gas	0.12	0.3	25	48	37¼	37¼	37½	
20¼	12⅞	Athlone	1.00	3.9	27	38	19	16	19	
302¼	204¼	Atl Rich S	2.80	1.0		z100	270	270	270	
42½	36⅞	Atlntic Gas	2.06	5.7	19	202	37¼	36¼	36⅞	
6	5⅞	Atlntic Sos	0.42	4.8	19	22	u6¼	6	6¼	
25⅞	21⅞	Atlntic Egy	1.54	6.8	15	280	23⅞	23	23¼	
127¼	107½	Atl Rich	5.50	4.9	14	3632	113	115½	113⅞	-⅛
5¼	2⅞	Atlas			13	15	3¼	3¼	3¼	
51	22¼	Atmos Engy	1.28	4.2	13	41	30½	30¼	30¼	
10⅞	7⅞	Atlanta ADR	0.33	3.3	14	295	10⅞	9⅞	9⅞	
16⅞	8⅞	AudioNtl			21	165	16¼	16	16¼	
21¼	11¼	August	0.40	1.9	41	115	21¼	21	21	
10½	6⅞	Austria Fd	0.92	0.2		444	9⅞	9⅞	9¼	
56¼	46⅞	Avalon Dalta	0.52	1.8	24	1552	51	50⅞	50⅞	
4⅞		2 Avalon Egy			2	58	3⅞	3⅞	3⅞	
21⅞	16⅞	Avemco	0.44	2.3	21	17	19¼	19	19¼	
42¼	32	Avnet Inc	0.60	1.5	20	1576	39½	38⅞	39½	
54¼	46¼	Avon Prods	1.08	3.8	14	1806	50⅞	50¼	50⅞	
19⅞	13⅞	Aydin Corp			14	29	16¼	16¼	16¼	

- B -

1993 High	Low	Stock	Div	Vol. %	P/E	Sls 100s	High	Low	Close Quote	Chge Prev. Close
37⅞	32	BCE	2.94	8.0	25	703	00	00¼	33	+⅛
8⅞	5½	BET ADR	0.19	2.4	00	759	u6⅞	7⅞	8	
8½	3⅞	Balmco	0.28	5.3	5	193	3¼	3¼	3¼	
19⅞	11	Baker Fent	0.40	2.1		123	19¼	19	19¼	+⅛
25⅞	18½	Baker Hugh	0.40	3.6	73	5922	23	22¼	22⅞	+⅛
25⅞	18½	Bakbo Etc	0.40	1.5	22	15	25⅞	25⅞	25⅞	+⅛
37⅞	27⅞	Ball Corp	1.24	4.2	15	470	29⅞	28¼	29¼	+⅛
12⅞		8 Bally Mfg			192	1865	9⅞	9½	9⅞	
27½	22⅞	Ballbn GSE	1.48	0.6	15	1178	26¼	26	26¼	+⅛
13⅞	6⅞	Balt Brkcp	0.00	4.8	15	458	12⅞	12¼	12⅞	
49¼	38	Banc One	1.24	2.6	15	4889	43¼	42⅞	43⅞	+⅛
23	11⅞	BancFirst			6	18	21¼	21⅞	22½	
27¼	20⅞	BancoBil Vr	1.17	4.4	9	200	26⅞	26	26⅞	
15½	12⅞	BancoCentl	0.86	5.0	7	82	14¼	14¼	14⅞	
53⅞	48	BcpHawaii	1.36	3.3	9	138	42	41⅞	41⅞	
2⅞	1⅞	BancTexas			40	68	1⅞	1⅞	1⅞	
30¼	44⅞	Bancrp Inc	0.65	1.2	19	18	55⅞	55	55⅞	
65½	40½	BankAmrica	1.40	3.1		911828	44⅞	44⅞	44⅞	
01	71	Bank Bost	5.56	6.2		z100	92	90	00	
29¼	20¼	Bank Boston	0.48	1.6	16	2532	29½	24⅞	25¼	+⅛
45⅞	40¼	Bk Bostn P	3.94	8.2		10	48¼	48¼	48¼	
62⅞	50⅞	Bank New Y	1.00	3.3	10	2333	55⅞	55¼	55¼	
50	43½	BankAm A	3.25	6.5		12	49⅞	49⅞	49⅞	+⅛
92	76	BankAm 6	6.00	6.6		18	01½	90¼	92	
83¼	65¼	Bankers Tr x	3.15	3.9	8	577	80⅞	78½	00⅞	+⅛
24½	23⅞	Banks ADR	0.97	2.8	01	115	u24½	32¼	34½	+⅛
39¼	20½	Bard (C R)	0.28	2.4	13	1267	22⅞	21¼	23	
24¼	23⅞	Barnes Grp	1.48	4.4	00		27	22	22	
50⅞	48	Barnett Bk	1.44	3.3	18	1108	44⅞	44	44¼	
8¼	5⅞	Barold	0.20	5.4	31	1634	8⅞	8¼	8⅞	
10⅞	4⅞	Battle M	0.08	0.8	18	3717	9	8⅞	8⅞	
57½	43	Bausch Lmb	0.65	1.9	15	1575	48½	45⅞	45¼	
32¼	20	Baxter	1.00	4.5	11	6895	00¼	21⅞	22	
29⅞	24⅞	Bay St Gas	1.42	4.8	15	52	29⅞	29	29⅞	
25	22	Bd Tr 1838	1.72	7.4		7	23⅞	22¼	00¼	
85	15	Bear Stns	0.60	2.5	6	2874	24½	23⅞	24	
50¼	45½	BearStFR	2.72	5.8		7	49½	49¼	49½	+⅛
26	20⅞	Bearings	0.84	2.5	20	15	35¼	35¼	35¼	
27	19¼	Beckman In	0.36	1.4	15	436	26¼	25¼	25¼	
42¼	32⅞	Becton Dck	0.68	1.6	13	998	37	36½	37	
37⅞	32	BCE	2.94	8.0	25	703	00	00¼	33	+⅛
8⅞	5½	BET ADR	0.19	2.4	00	759	u6⅞	7⅞	8	
8½	3⅞	Balmco	0.28	5.3	5	193	3¼	3¼	3¼	
19⅞	11	Baker Fent	0.40	2.1		123	19¼	19	19¼	+⅛
25⅞	18½	Baker Hugh	0.40	3.6	73	5922	23	22¼	22⅞	+⅛
25⅞	18½	Bakbo Etc	0.40	1.5	22	15	25⅞	25⅞	25⅞	+⅛
37⅞	27⅞	Ball Corp	1.24	4.2	15	470	29⅞	28¼	29¼	+⅛
12⅞		8 Bally Mfg			192	1865	9⅞	9½	9⅞	
27½	22⅞	Ballbn GSE	1.48	0.6	15	1178	26¼	26	26¼	+⅛
13⅞	6⅞	Balt Brkcp	0.00	4.8	15	458	12⅞	12¼	12⅞	
49¼	38	Banc One	1.24	2.6	15	4889	43¼	42⅞	43⅞	+⅛
23	11⅞	BancFirst			6	18	21¼	21⅞	22½	
27¼	20⅞	BancoBil Vr x	1.17	4.4	9	200	26⅞	26	26⅞	
15½	12⅞	BancoCentl	0.86	5.0	7	82	14¼	14¼	14⅞	
53⅞	48	BcpHawaii	1.36	3.3	9	138	42	41⅞	41⅞	
2⅞	1⅞	BancTexas			40	68	1⅞	1⅞	1⅞	
30¼	44⅞	Bancrp Inc	0.65	1.2	19	18	55⅞	55	55⅞	
65½	40½	BankAmrica	1.40	3.1		911828	44⅞	44⅞	44⅞	
01	71	Bank Bost	5.56	6.2		z100	92	90	00	
29¼	20¼	Bank Boston	0.48	1.6	16	2532	29½	24⅞	25¼	+⅛
45⅞	40¼	Bk Bostn P	3.94	8.2		10	48¼	48¼	48¼	
62⅞	50⅞	Bank New Y	1.00	3.3	10	2333	55⅞	55¼	55¼	
50	43½	BankAm A	3.25	6.5		12	49⅞	49⅞	49⅞	+⅛
92	76	BankAm 6	6.00	6.6		18	01½	90¼	92	
83¼	65¼	Bankers Tr x	3.15	3.9	8	577	80⅞	78½	00⅞	+⅛
24½	23⅞	Banks ADR	0.97	2.8	01	115	u24½	32¼	34½	+⅛
39¼	20½	Bard (C R)	0.28	2.4	13	1267	22⅞	21¼	23	
24¼	23⅞	Barnes Grp	1.48	4.4	00		27	22	22	
50⅞	48	Barnett Bk	1.44	3.3	18	1108	44⅞	44	44¼	
8¼	5⅞	Barold	0.20	5.4	31	1634	8⅞	8¼	8⅞	
10⅞	4⅞	Battle M	0.08	0.8	18	3717	9	8⅞	8⅞	
57½	43	Bausch Lmb	0.65	1.9	15	1575	48½	45⅞	45¼	
32¼	20	Baxter	1.00	4.5	11	6895	00¼	21⅞	22	
29⅞	24⅞	Bay St Gas	1.42	4.8	15	52	29⅞	29	29⅞	
25	22	Bd Tr 1838	1.72	7.4		7	23⅞	22¼	00¼	
85	15	Bear Stns	0.60	2.5	6	2874	24½	23⅞	24	
50¼	45½	BearStFR	2.72	5.8		7	49½	49¼	49½	+⅛
26	20⅞	Bearings	0.84	2.5	20	15	35¼	35¼	35¼	
27	19¼	Beckman In	0.36	1.4	15	436	26¼	25¼	25¼	
42¼	32⅞	Becton Dck	0.68	1.6	13	998	37	36½	37	

BE OUR GUEST.

SAS Royal Hotel BRUSSELS

When you stay with us in BRUSSELS stay in touch - with your complimentary copy of the FINANCIAL TIMES

1993 High	Low	Stock	Div	Vol. %	P/E	Sls 100s	High	Low	Close Quote	Chge Prev. Close
35⅞	26⅞	Building Hy	0.84	2.1	34	22	30¼	30¼	30¼	
64¼	49⅞	Bell Atlan	2.68	4.4	19	2893	61¼	60⅞	61⅞	+1
17⅞	9½	Bell Indus	0.48	2.4	00	60	17	16⅞	16⅞	+⅛
62⅞	50½	BellSouth	2.18	4.8	16	2963	92	59⅞	59⅞	+⅛
48⅞	38¼	Belo AH A	0.56	1.2	21	757	45¼	44¼	45¼	+⅛
27⅞	19⅞	Bemis	0.80	2.3	20	346	28¼	21¼	22	
64¼	54	Benef 4.3P	4.30	8.5		65	u65¼		65	65¼	+1
80½	69½	Benef	2.80	3.6	13	206	79	78⅞	78½	-⅛
32½	18¼	Benetton A	0.42	1.4	16	6	30	29⅞	29⅞	-⅛
1⅞	1	Bengpnt B	0.04	4.8	6	126	1	1	1	
14¼	9¼	Berry Petr	0.80	5.0	00	60	10	9⅞	9⅞	-½
55⅞	21½	Best Buy			36	1397	92⅞	53¼	02½	-1½
29⅞	25¼	Beth St 2	2.50	9.1		23	27⅞	27½	27½	-⅛
57⅞	50¼	Bethlehm St	5.00	6.7		6	54	54	54	
20⅞	12⅞	Beth Hm St	0.40	2.7	8	2521	14⅞	14¼	14⅞	+⅛
62⅞	44	Betz Lab	1.40	3.1	17	1261	44¼	44¼	44¼	+⅛
14⅞	9¼	Beverly Ent			108	9898	11	10½	10⅞	+⅛
38	15¼	Biocraft	0.10	0.3	58	143	30⅞	28⅞	29⅞	+⅛
27¼	20¼	Birmingm B	0.42	1.7	33	734	24⅞	23½	23⅞	-⅛
22¼	16⅞	Black & D	0.40	1.9	33	670	20¼	20½	20⅞	+⅛
28¼	18¼	Black H PL	1.28	5.1	14	54	25¼	25⅞	25⅞	+⅛
11	10¼	BlckrckAcv x	0.82	1.9		37	10⅞	10½	10⅞	+.03
8½	7	BlckrckHgh x	0.85	9.9		514	8⅞	8½	8⅞	+⅛
10½	10	BlckrckTgt x	0.80	7.8		128	10⅞	10¼	10⅞	+.06
58	31⅞	Block H&R	1.12	2.8	22	1533	00¼	38¼	38¼	+⅛
30⅞	16⅞	Blockbuster	0.10	0.4	31	6947	20⅞	27⅞	27⅞	
8⅞	1⅞	Blue Chip x	0.60	10.6		106	6	7⅞	6	+.06
41	30⅞	BMC Ind			18	9	15¼	15¼	15¼	-⅛
41	30⅞

4 pm close October 8

NYSE COMPOSITE PRICES

Continued from previous page

1993 High	1993 Low	Stock	Div	Yld %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		- S -								
22	15½	S Antos Rt x	1.36	7.1	17	70	19⅞	18⅞	18¼	
20¾	14⅞	SCOR US Cp	0.32	1.9	207	50	16⅞	16½	16½	
29¾	20	SFS Techno	1.28	4.6	20	74	28¼	28	28	-¼
15¼	12⅞	Sabine Rlt x	1.74	11.4	10	44	u15¼	15¼	15¼	+1⅞
14	0⅞	Safecard	0.20	1.5	13	203	13⅞	13½	13½	-½
28½	16⅞	Safeg'rd Sc			10	112	22⅛	21⅞	22	
24¾	14⅞	Saferyton	0.36	2.5	22	3056	14¾	14⅛	14⅝	-⅛
19⅞	16⅞	Safeway			24	1769	u20½	20	20½	+¼
4½	2	Salomaywas				760	u4⅝	4½	4½	
55	37½	SalocPaper	0.20	0.4	144	197	49¼	48¾	48¾	-⅛
37⅞	31	SLouisLSP	1.76	4.9	14	5	36¼	36⅛	36⅛	-⅛
94	75	St Paul's	2.80	3.1	14	321	90⅞	89¾	90⅞	+⅝
11⅞	7½	Salant Crp			4	68	8	7⅞	8	+⅛
75¼	38⅞	Salle Mae	1.20	2.0	10	1549	47	45½	48⅛	+½
14¼	13	Salomon Br	0.32	2.3		00	13⅞	13¼	13⅞	
51⅞	34	Salomoninc	0.64	1.3	12	2345	48⅛	47⅛	48	+¼
27¾	23¼	SanDgo G&E	1.48	5.8	14	277	26⅞	26⅛	26⅛	+⅛
5	3½	SantaFeEQu	0.40	8.2	48	10	4⅞	4⅞	4⅞	
11⅞	9⅛	SantaFeRe	0.18	1.6	500	1025	11	8⅞	10	-⅛
40¾	36¼	SantaFePac	2.80	7.3	13	23	39¾	38⅞	39½	+¼
19⅞	12⅛	SantaFPac	0.10	0.5	12	3001	18⅞	18⅞	18⅞	+⅛
31½	31	Save Lee	0.58	2.4	17	4593	24⅞	24⅛	24½	+⅛
51⅞	40⅛	Scana Corp	2.74	5.4	10	770	01	50¼	50⅞	
25⅞	31½	Scacorp	1.42	6.3	14	9632	22¾	22¼	22⅞	+⅛
36⅞	23⅞	Schwerner			28	535	32⅞	32⅛	32½	
70⅞	51⅞	ScheringPl	1.80	2.7	18	2766	66¼	65⅞	66⅛	
68⅞	58¾	Sch'berger	1.20	1.6	22	3170	68¼	66½	66½	-½
39¼	16½	Schwab(C)	0.20	0.6	20	2389	35⅞	34¼	35⅞	+⅞
7⅞	5⅞	Schw8ser			43	12	7⅞	7⅞	7⅞	
32⅞	17¾	SciMatlin	0.12	0.4	51	1587	34½	32½	34	+⅛
13⅞	9⅛	Scotman	0.10	0.9	12	48	11⅞	11¾	11¾	-⅛
41	31	ScottPaper	0.80	2.4	20	680	33⅞	33⅛	33⅛	-⅞
24	14¼	ScottdrNatF	0.21	0.9		75	u24⅛	23⅞	23¾	
11½	7½	ScottdrEsF	0.18	1.5		140	10⅞	10½	10⅞	
31½	18¾	SeaCont8	0.78	3.7	8	2100	18⅞	18⅞	18⅞	
17	15	SeaCt.4625	1.46	9.0		5	16¼	16¼	16¼	-¼
30⅞	24½	Seagram Co	0.58	2.2	17	1282	26	25¾	25⅞	-⅛
28⅞	18	Seagull En			111	904	30⅛	30	30	+⅛
8⅞	3⅞	Sealed Air			25	59	29¾	29⅛	29⅛	
18⅞	15	SPX Corp	0.40	2.2	13	100	10	17⅞	10	-⅛
59¼	42⅞	Sears Roeb	1.60	2.8	11	10767	58¼	56½	56⅞	-1½
13¾	12⅞	Seligm Spt	0.84	6.2		22	13⅞	13½	13½	
48½	30	Sensormat	0.30	0.7	29	369	42¼	41⅞	42¼	
34½	18	Sequa A	0.60	1.8	20	12	33⅞	33⅞	33⅞	
34	17⅞	Sequa B	0.50	1.5	16	2	33¾	33¾	33¾	-¼
26	17⅞	ServiceCpl	0.40	1.5	21	4188	u26¼	25¾	25⅞	+¼
25⅞	17⅞	Servicemr	0.88	3.4	15	199	26⅞	26	26¼	
40⅞	28¼	Shaw Ind	0.36	0.9	31	1897	45⅞	44	45¼	
28⅞	17⅞	Sheaway Rt	0.40	1.7	160	3223	24⅞	23⅞	23⅞	-⅛
14⅞	10½	Shelby Wil	0.20	2.3	30	7	12½	12⅞	12⅞	
62⅞	40	Shell TrsT	2.88	4.6	16	901	u63	61⅞	62¼	+⅛
36¼	26⅞	Sherwin Wil	0.50	1.4	19	1486	35¼	34½	34¼	-⅛
25⅞	16½	Shoneys			18	964	33	22¾	22⅞	-⅛
24⅞	15⅞	Showboat	0.16	0.5	18	767	21½	20½	20½	-⅛
22¼	20¼	Sierra Pac	1.12	5.3	20	1613	21⅞	20⅞	21⅛	-⅛
14¾	8⅞	SignalApp			3	107	9½	9	9⅛	
38	21⅞	Signet Bnk	0.60	2.4	13	885	34⅛	33⅞	33¾	+¼
45	23½	SiliconGr			33	1546	40⅞	40⅛	40⅞	+⅛
15½	10⅞	Stealer	1.84	7.1	24	60	14¾	14⅞	14⅞	+⅛
10⅞	7	Stelcor	0.18	1.6	78	73	10⅞	10¼	10¼	-⅛
23	18¼	Skyline	0.48	2.8	10	23	17⅞	16⅞	17	
4¼	3	SL Inds	0.06	1.5	25	2	3⅞	3⅞	3⅞	+⅛
7¼	3⅞	SmithCorp	0.20	4.2	15	100	4⅞	4⅞	4⅞	-⅛
11½	8	Smith Intl			268	306	10⅞	10¼	10¼	
38⅞	26⅞	SmithKlBcham	0.95	3.0	15	48	32⅞	31⅞	31⅞	-⅛
34⅞	26¼	SmithKB Eq	0.95	3.4		1777	28¼	27⅞	28¼	
37¼	19⅞	Smiths Fd	0.52	2.6	10	918	20¼	19⅞	20	
32½	20¼	Smucker J	0.46	2.1	17	150	22⅞		22	-½
44½	30½	SnapOnTlr	1.08	2.8	23	285	38⅞	38⅞	38⅞	-⅛
23	10	Snyder Oil	0.24	1.1	26	1111	21⅞	21½	21⅞	+⅛
55¼	33⅞	Sofitron			31	1086	51½	48⅞	51⅞	+1¼
1	1	Sofitron rt			8	40	½		½	
36½	21¼	Sonat	2.16	8.2	11	838	35⅞	34⅞	35	+⅛
45	32	Sony ADR	0.41	0.9	54	190	43⅞	43⅞	43⅞	-⅛
14⅞	10¼	Sotheblys	0.24	2.0	65	36	11⅞	11⅞	11⅞	+¼
49¼	43	Source Cap	3.60	8.3		73	43⅞	43⅞	43⅞	+¼
47	35⅞	SouthCarS%	2.50	5.3		4	u47	45⅞	47	
27½	21¼	SthJersInd	1.44	5.7	18	33	25¼	25½	25½	-⅛
25⅞	9⅞	Southdown	0.50	2.1	11	326	23⅞	23⅞	23⅞	-⅛
23½	19⅞	SthlatCp	0.68	3.2	8	1797	21⅞	20⅞	21⅞	+⅛
49¼	37	SouthTr Co	2.28	5.1	14	2381	45	44⅞	44¼	-⅛
34⅞	32⅞	SouthNGE	1.61	4.8	14	38	33¼	33½	33⅞	
38⅞	35⅞	SouthNET	1.76	4.9	14	286	36	35⅞	35⅞	-⅛
37⅞	19¼	SouthNWat	0.84	0.1	26	1663	35½	34⅞	35	-⅛
18½	13¼	SouthWSve	0.76	4.8	28	171	17⅞	17⅞	17⅞	+⅛
31¼	12	SouthWingy	0.24	1.1	20	68	21½	21⅛	21⅛	-⅛
33½	30	SouthWnPSv	2.20	7.0	13	206	31⅞	31½	31½	
11½	7⅞	Spain Fund	0.18	1.0		239	10⅞	10⅞	10⅞	+⅛
0⅞	5	Sparton Cp			9	35	6⅞	6¾	7	+⅛
49	33½	Sprags	1.20	3.4	13	530	35⅞	35½	35½	-⅛
37½	25½	Sprint	1.00	2.7	34	7223	37¼	36⅞	37	
32⅞	13	Std Comm	0.60	4.1	25	50	14⅞	14½	14½	-⅛
22¼	13⅞	Std Motor	0.32	1.5	18	125	21⅞	21⅞	31¼	-⅛
10¼	8¼	StanePacUt	0.12	1.4	93	437	8⅞	8⅞	8⅞	
36⅞	25¾	Std Prod	0.84	2.0	14	529	32⅞	32	32	-⅛
23½	18½	Stanlex	0.48	2.4	13	60	20⅞	20⅞	20⅞	-⅛
34⅞	25⅞	Stanhome	1.00	3.6	17	189	28	27⅞	27¾	-⅛
47⅞	37⅞	StanleyWk	1.36	3.2	18	231	42½	41¾	42	+⅛
28½	22¼	Starrett	0.68	2.9	19	12	24¾	24½	24½	
12¼	11⅞	State Matl	0.92	7.7		8	12	11⅞	11⅞	
31¼	18½	StaLFed.Bk	0.56	1.8	6	318	31	30⅞	30⅞	
9⅛	8⅞	StarigBcrp	0.20	2.4	8	43	8¾	8¼	8¼	-⅛
5	3⅞	StarigChem	0.08	2.1	62	73	3¾	3⅞	3¾	
25½	17⅞	StarigSwfa			18	1604	u28⅞	28⅞	28⅞	+1¼
11⅞	7	Steel Fin	0.18	1.0	5	109	10¼	10	10¼	-¼
30¼	21¼	SteelDetch	0.80	2.0	103	41	30⅛	29¾	30	+¼
19½	6½	Steve Cont	0.71	10.1	1	755	7⅛		7	
29¼	16¾	Stop Shop			21	76	23½	23¼	23⅞	
15	8⅞	Storage Eq	0.84	5.8	15	183	14⅞	14½	14½	-⅛
43	18	Storage Tk			125	3476	26⅞	25½	26¼	-⅛
41¼	20¼	Stratus			11	1285	26⅞	26	26	-½
23⅛	12⅞	StrideRite	0.34	2.3	13	1068	15¼	15	15	-⅛
30¼	19⅞	Strum Rger	1.00	3.5	10	77	29	28⅞	28¾	-⅛
5.55	3⅞	Suave Shoe	0.38	8.0	2	11	3¾	3⅞	3¾	
11⅞	9¾	Sun Dis A	1.10	10.7	9	66	10¼	10¼	10¼	+⅛
4⅞		3 Sun Dis B	0.11	2.4	4	193	4¾	4½	4⅞	+⅛
8⅞		7 Sun Energy	0.92	10.8	35	111	8⅞	8¼	8½	+⅛
46½	27¼	Sunamerica	0.28	0.6	17	1113	46¼	45⅞	45⅞	-½
44¾	25	Sundstrand	1.20	3.0	12	318	40⅛	39⅞	39⅞	-⅛
8⅞	1¼	SunstarPT	1.19	17.3		15	6⅞	6¾	6⅞	
3⅞	1⅞	SunshineMn				3861	2¾	2⅞	2⅞	
49⅞	41⅞	Suntrust	1.12	2.6	12	541	43⅞	43¾	43¾	-⅛
11⅛	9¼	Super Food	0.54	3.3	14	31	10½	10¼	10¼	-⅛
49⅞	18½	Superior	0.12	0.3	31	602	47⅞	46⅞	47	-⅛
37⅞	28½	Supervalu	0.88	2.7	13	911	33	32⅞	32¾	+⅛
28⅞	14⅞	Surg Care	0.16	0.8	24	1418	21¾	20¼	20⅞	-¼
19⅞	13½	Swiss Helv	0.03	0.1		131	u19⅞	18¼	19½	+⅛
15⅞	11¼	Symbol Tec			12	271	13⅞	13½	13½	-⅛
11⅞	9	Syms Corp			12	11	9¾	9⅞	9¾	+⅛
20⅞	15	Synovus Fn	0.37	2.0	19	98	18¾	18¾	18¾	+⅞
33⅞	15⅞	Syntex Cp	1.84	5.9	13	2086	17½	17¼	17¼	-⅛
30¼	22¼	Sysco Corp	0.28	1.0	26	1766	29⅞	29¾	29⅞	-⅛
12½	7¼	Systems Cn			8	206	10¼	9⅞	10¼	
		- T -								
9½	5¼	TCBY Enter	0.20	3.7	21	159	5½	d5¼	5⅛	
48	27¾	TDF Financ	0.75	1.9	9	23	39⅞	39¼	39¼	-⅛
10⅞	8¼	TDW Conv S x	0.84	8.5		288	10	9¾	9⅞	
39	25⅞	TDK Corp A	0.41	1.2	29	32	36	36¼	36	+1¼
5¾	2	T I B Mgc	0.20	9.4	0	39	2⅛	d2	2⅛	-⅛
34¼	24½	TJX Cos	0.50	1.5	21	4018	33⅞	32⅞	33⅞	+⅛
19½	14⅞	TRW Enterp	1.83	6.7	22	31	18⅞	18⅞	18⅞	+⅛
69⅞	52½	TRW Inc	1.88	2.9	19	690	68¼	65⅞	65⅞	+¼
25⅞	5¼	T2 Medcl	0.18	1.4	4	3857	7⅞	7	7⅞	+⅛
24⅞	17⅞	Taiwan Fd				299	23⅞	22¾	23	
8⅞	3⅞	Talleyind	0.42	4.9	30	544	u9	0⅞	8⅞	
13⅞	0½	Talley Pf	1.00	7.1		20	x14½	13⅞	14⅞	+⅛
3	1⅞	Tandbrands	1.62	3.4	18	1386	44⅞	44¼	44⅞	-⅛
16⅞	8½	Tandem			2	3730	12⅞	12⅞	12⅞	-⅛
39¼	24⅞	Tandy Corp	0.60	1.5	62	2980	u38⅞	38⅞	38⅞	+⅛
13½	12	Taurus Mun	0.81	6.3		19	12⅞	12¾	12⅞	+⅛
25⅞	20¼	Taco Energ	0.96	3.8	18	713	25⅞	24⅞	25	
27⅞	20⅛	Tektronix	0.60	2.6	12	633	22⅞	22⅞	22¾	-¼
5	1¼	Telecom Cp			19	102	2⅞	2⅞	2⅞	
27¾	18⅞	Teledyne	0.60	3.1	20	1333	26	25⅞	26	
37⅞	29½	TeleEspSA	1.62	4.3	7	6347	u37¾	37⅞	37¾	+½
39¾	44⅞	Telmar ADR	0.96	1.8	10	1471	52½	50½	50⅞	+¼
52½	39	Telespatial	1.00	2.5	19	1361	39⅞	d38¼	39¼	+½
24½	14⅞	TempMEmMk	0.39	1.7		544	22⅞	23⅞	23⅞	+⅛
9⅞	8¼	TempMGlo x	0.72	8.2		25	8¾	8⅞	8¾	+⅛
9	7¼	TempMSFd x	0.60	7.3		605	9¼	8⅞	8¾	+⅛
54½	39⅛	Tenneco Inc	1.60	3.0	81	1844	53½	52½	53	+⅛
28⅞	21¼	Teppco Pts	2.20	7.8	12	63	u28½	28⅞	28¾	+⅛
29⅞	13	Teradyne			38	943	25⅞	25	25⅞	
11⅞	9¼	Terex	0.08	0.8	0	39	9⅞	9⅞	9⅞	
1½	1½	Terra Inds			20	64	4⅞	4⅞	4⅞	
7⅛	3	Teseno Pet			1	149	6⅞	6⅞	6⅞	
69¼	57⅞	Texaco	3.20	4.7	16	3554	68⅞	68⅞	68⅞	+⅛
53⅞	51½	Texaco C	3.25	0.2		8	52⅞	52⅞	52⅞	+⅛
28¼	21⅞	Texas Ind	0.20	0.8	76	17	24⅞	24½	24½	-⅛
84¼	45⅞	Texas Inst	0.72	1.1	18	10307	69¼	68	69½	+⅛
18⅞	18⅞	Texas Pac	0.40	2.1	23	3	18⅞	18⅞	18⅞	+⅛
48¾	41⅞	Texas Util	3.06	6.8	14	2677	48⅞	48	48⅞	+¼
11	7¾	Textl Pf	1.10	11.8		12	9	d9¼	9	+⅛
9	3⅞	Textl Inds	1.16	26.7	5	65	4⅞	4⅞	4½	
58⅞	40⅞	Textron	1.24	2.2	14	3062	57⅞	56	56½	-½
4¾	3⅞	Thackeray			50	12	4½	4½	4½	
15	10⅞	Thal Corp	0.30	2.0		300	u15⅞	15½	15½	+⅛
28½	18⅞	Thal Fund	0.67	3.3		588	u27¾	26⅞	26⅞	+⅞
8⅞	4⅞	ThermoElec	0.12	0.2	25	733	6¾	6¼	6½	+⅛
24⅞	15¾	Thiokol	0.68	3.0	7	519	23	21⅞	21⅞	+1⅛
72	59⅞	Thomas B	2.24	3.7	19	462	61	60¼	60¼	-½
31¼	17⅞	Thomas Ind	0.40	3.4	38	58	11⅞	11⅞	11⅞	
31¼	17⅞	Thomson Ad	1.80	5.0	13	18	30¼	30⅞	30⅞	
27	18¼	Tidewater	0.40	1.6	43	860	25⅞	24¾	25⅞	
35⅞	24⅞	Tiffany	0.20	0.9	21	266	30⅞	30	30⅞	+⅛
54¼	49¼	TimeWrn 8.75	4.38	8.4		324	52¼	52¼	52¼	
43⅞	28¾	TimeWrner	0.32	0.9	36	7890	42¼	41¼	42⅞	+⅛
35	28¼	TimesMirr	1.08	3.7	78	1876	29⅞	28¾	29¼	
34⅞	26½	Timken	1.00	5.3	100	510	30½	35¾	30¼	
4⅞	2	TitanCp			3	208	3¼	3	3	
13⅞	10½	Titan Pf	1.00	8.9		30	11¼	11¼	11¼	
5	4	Todd Shp			3	182	4⅞	4	4¼	
14	8⅞	Toledein Cp	0.56	4.7	8	221	12¼	12	12	-½
26	25⅞	ToledE2.81	2.81	16.3		2100	17¼	17¼	17¼	
16⅞	8⅞	Toll Bros			81	577	14¾	14½	14⅞	
83⅞	84½	Tootsie Rl	0.38	0.5	23	23	76	75	75⅞	
84¼	49⅞	Torchmark	1.12	2.1	15	1606	53⅞	53½	53⅞	+½
26¾	18½	Toro Corp	0.48	1.8	24	113	26¼	26	26	-⅛
28⅞	18⅞	Tosco Corp	0.60	2.1	14	642	28⅞	28⅞	28⅞	-⅛
33	14½	TotalSyst	0.14	0.4	52	7	32	31¾	31⅞	-⅛
42⅞	32⅞	Toys R Us			34	4280	37½	37	37⅞	+⅛
3	1¾	Trammel Cr	0.18	0.0	0	60	2	2	2	
28¾	24⅞	Transaminc	1.92	7.3	11	17	26⅞	26⅛	26⅞	
61¼	45⅞	Transamer	2.00	3.3	13	885	u61⅞	60½	60¾	-½
81½	46	Transcities	0.28	0.5	17	54	54¾	54¾	54¾	
19	13	Transco En	0.60	3.4	19	788	17⅞	17⅞	17⅞	+⅛
15⅞	6⅞	Transcnt R			4	20	15¼	15¼	15¼	
12	8⅞	Transtech	0.24	2.0	11	18	11⅞	11⅞	11⅞	
38⅞	23¼	Travelers	1.60	4.3	5	5880	37¼	36⅞	36⅞	-⅛
18	12⅛	Tredegar	0.24	1.6	9	90	15⅞	15⅞	15⅞	+⅛
37¾	34¼	TriCont2.5	2.50	6.8		11	36½	36	36½	
56⅞	48	Tribune	0.96	1.6	22	465	52⅞	51⅞	52⅞	
25½	24⅞	TriCont	0.78	3.1	7	25	24⅞	24⅞	24⅞	
38⅞	24¼	Trinity	0.68	1.9	24	1237	36¼	35⅞	36¼	
31⅞	21	Trinova	0.68	2.6	173	767	26⅞	26⅞	26	
43⅞	26⅞	Triton En	0.10	0.3	6	570	30½	29⅞	29¾	-⅛
4⅞	1⅞	Tucson El			11	573	3¾	3⅞	3¾	+⅛
10½	7⅞	Tultex Crp	0.20	2.5	11	569	6	7¼	8	+⅛
10⅞	6⅞	Turner B	0.84	0.4		85	10¼	10	10	-½
34	25¾	Twin Cont	0.64	2.1	13	66	30⅞	29⅞	30	+⅛
21¼	16⅞	Twin Disc	0.70	3.8	20	8	19⅞	19⅞	19⅞	
48⅞	37⅞	Tyco Labor	0.40	0.9	26	196	42¾	42¼	42¼	-⅛
14	10⅞	Tyco Toys	0.10	0.9	53	585	12⅞	12¼	12⅞	
5¼	4¼	Tyler			42	331	4¾	4⅞	4⅞	
		- U -								
150½	110¾	UAL Corp			18	1385	144	142½	143⅞	+1⅛
33¼	21⅞	UB Fin	0.64	2.2	20	1145	29⅞	28⅞	29¼	+⅛
10¼	4⅞	UBS			33	15	5¾	5¾	5¾	
52⅞	48⅞	USF&G 4.1	4.10	8.0		80	51⅞	51⅞	51⅞	+⅛
22¾	9⅞	USG Corp			7	640	21	20¾	21	-⅛
32¼	24¾	UST Inc	0.60	3.5	17	2874	27⅞	26⅞	27⅞	
52½	49	USX CapPf	3.75	7.3		8	51½	51	51⅞	
8⅞	4½	UDC Hms	1.68	35.4	4	356	5	4¾	4¾	
35⅞	21⅞	UGI Corp	1.34	5.5	23	135	24½	24¼	24½	+⅛
7¼	5⅞	Ultimate			1	852	3⅞	3⅞	3⅞	
7⅞	5⅞	UNC Inc			10	100	6⅞	6⅞	6¾	
30⅞	20	Unifi Inc	0.56	2.6	11	2833	21⅞	21⅞	21½	
33⅞	24¼	Unifirst	0.20	0.8	18	2100	32¼	32¼	32¼	-⅛
73¼	56	Unilever	2.35	3.6	15	4	65½	65¼	65½	+⅛
118½	95½	Unil NV	2.70	2.4	18	1195	110½	109⅞	110½	+1⅞
49	41⅞	Union Camp	1.56	3.8	46	2840	41⅞	d41¼	41¼	+⅛
20⅞	18	Union Carb	0.75	3.8	24	2388	19⅞	19⅞	19⅞	-⅛
18	9⅞	Union Corp			18	96	13	12¾	13	+¼
66¾	46	UnEl 3.50	3.50	6.3		20	u56¾	55¾	55¾	
72	60½	UnEl 4.50	4.50	6.5		1	70½	69½	69½	
44⅞	35¾	Union Elec	2.32	5.3	13	1289	44½	43½	43⅞	-⅛
67	56⅞	Union Pac	1.60	2.8	16	1237	61⅞	60½	60⅞	-1⅛
30	22⅞	UnionPetrol	0.72	2.9	11	157	27⅞	27⅞	27⅞	+½
27½	17⅞	UnionTexas	0.20	0.9	29	4017	22⅞	21⅞	22	+¼
1½	1	United Fin			0	5	½	½	½	
13⅞	9⅞	Unisys Crp	2.77	22.8	10	2083	12⅞	12	12⅞	-⅛
4¾	1⅞	Unit Corp			35	126	4⅞	4½	4¾	
47¾	28⅞	UntAsset	0.60	1.6	25	284	45¼	44⅞	45	-¼
16¾	12	UtdDomRlty x	0.70	4.2	67	1052	16⅞	16⅞	16⅞	+.05
15	8	UtdDominnd	0.20	1.4	35	11	14¾	14¾	14¾	-⅛
70⅞	40	UtdRthrm	0.60	0.0	33	1698	66½	67⅞	67⅞	+¼
45⅞	41	UtdStatnrs	2.86	5.9	15	89	44⅞	44⅞	44⅞	+⅛
10⅞	4	UtdInvest	0.20	3.7	8	41	6⅞	5½	6½	-⅛
31⅞	26¼	UtdInvMgmt	0.30	1.6	13	42	u31⅞	31¼	31⅞	
12½	8⅞	UtdKingdmFd	0.13	1.1		34	11⅞	11½	11⅞	
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THE FT INTERVIEW

Sober after the feast

Felipe González, the Spanish prime minister, speaks to **Peter Bruce, David Marsh** and **Tom Burns**

The march to European union has always been more than a question of mere politics and economics for Mr Felipe González, the Spanish prime minister. In the past, it has been a hobby, a spectacle, a feast – as pleasurable as the cured Spanish hams be still regularly sends his friend, Chancellor Helmut Kohl of Germany.

Now, however, as the Madrid autumn descends around his red-brick Moncloa Palace residence, Mr González shows a touch of wistfulness about the EC and Spain's place in it.

In his first newspaper interview since his fourth consecutive election victory on June 6, Mr González puts on a convincing display of realism – a product of constraints on his freedom of manoeuvre, stemming from setbacks both at home and in the rest of Europe.

As Mr González speaks, in a salon strewn with white sofas, his deputy prime minister, Mr Narcis Serra, is negotiating with executives from Germany's Volkswagen in another part of the Moncloa Palace. They are discussing the possible closure of the Barcelona factory owned by VW's Seat subsidiary, the likely consequence both of heavy losses at Seat and VW's general troubles in Germany.

Mr González faces a struggle on several fronts. As he attempts to persuade his Socialist party of the benefits of a more rigorous economic policy, he is seeking agreement from recalcitrant trade unions for deregulation of wage bargaining to increase Spain's industrial competitiveness.

Asked whether large threatened job cuts in Barcelona could help his efforts to end some of the notorious rigidities in the Spanish economy, Mr González confirms the sighting of a modest silver lining. "It's difficult to be a masochist. But sometimes a crisis can act as a purge. It can make people sit up and take notice."

Certainly, Spaniards are now taking notice that times are tougher. Infected by the European recession, Spain this year will register its first year of economic contraction since 1981. Its hopes that the peseta could become part of the "hard core" of European currencies closely linked to the D-Mark were shattered by three devaluations between September 1992 and May 1993.

After the virtual collapse of the European exchange rate mechanism in August, Mr González admits there is a "tremendous question mark" over whether the EC can achieve its aim of economic and monetary union by 1997 or 1999.

Referring to the targets set down in the Maastricht treaty for bringing EC budget deficits and government debt under greater control, Mr González admits: "We have diverged from the convergence criteria."

Spain's public sector budget deficit will be over 6 per cent of gross domestic product this year, double the 3 per cent target set by the Maastricht treaty. Even though the government has tacitly abandoned its original plan to reduce the deficit to 1 per cent of GDP by 1996, he says the EC has no alternative but to press on with the Maastricht convergence plans.

His hopes for improved European economic co-operation are somewhat slender. He is pinning them on the new European Monetary Institute to be set up next year, probably in Germany, as the forerunner to the planned EC central bank.

On the home front, his Socialists in June lost their previous absolute majority in the Cortes (parliament). This requires Mr González to make deals with two small regional parties, the Basque PNV and the bigger Catalan CiU, to push through parliament an austere budget presented at the end of last month. The budget proposes a civil service wage freeze next year as well as less generous pay-outs of social benefits and pensions.

He says he would have preferred a formal coalition with the Basque and Catalan parties, but will make the best of ruling with a minority government.

"This is something completely new in our country," says Mr González. "People are not accustomed to the central government doing deals with parliamentary minorities. It makes for an extraordinary commotion.

"My idea, and it seemed to me the best way to guarantee stability, was a coalition [but] with this excluded we have to make pacts to govern... If we have to go on negotiating, then we'll just do it."

'We must remove all obstacles to job creation'

The need to improve competitiveness seems to have infused the ever-didactic Mr González with additional zeal for lecturing his Socialist party on the facts of economic life.

He has started making a number of keynote speeches to take forward his campaign. The first – to a congress of young socialists – came last night. He is also scheduled to address a large meeting of supporters in his Andalucian homeland.

These will be the opening shots of a campaign to reshape the Socialist party's policies. Noisy arguments among left-wing and liberal factions, strongly influenced by Byzantine power struggles in the provinces, will reach a head when the party holds a congress next March, its first in more than three years.

"I am provoking a debate because what I want to do is to have the problems defined. I myself will defining my own position and making it clear."

Mr González says parties of "democratic socialism", now in a small minority among EC governments, have to face up to their new tasks unflinchingly, but without undue defensiveness.

"We defended liberty against the communists and we stressed social welfare against the conservatives," he says.

Now, however, after the collapse of communism in Europe and the end of the EC's late-1980s economic buoyancy, the position has changed. "We can't keep saying: 'We want what we had in the 1960s'. This is a whole new debate," Mr Gonzalez says.

A central focus is the role of the state as a provider of welfare. "What we have to do is to relate the capacity of the welfare state to increases in the country's productivity." Sounding almost like Mr Peter Lilley, the UK social security secretary, Mr Gonzalez says: "We have to define [as priorities] certain types of welfare benefits and I am worried above all about certain elements of fraud and abuse in the welfare state."

Spain's 21 per cent unemployment rate, the highest in the EC, is directly linked to the inflexibility of the Spanish labour market, he says. Wage inflation, at more than 7 per cent, has remained around 2 percentage points above the inflation rate in spite of the recession.

The prime minister is adamant that the trade unions must undergo a "cultural change. They have to stop seeing everything in terms of wages and profits and think instead about how a company can compete in an open market."

Setting out an agenda for plant-by-plant wage bargaining, and less onerous hire-and-fire regulations, he says: "We have to remove and eliminate all the obstacles to the creation of employment." Commenting on labour reform talks that started last week with unions and employers on a three-year "social pact", Mr Gonzalez says he will force through the measures whether he gets agreement or not.

"I hope there will be agreement," he says. But he points to the unions' difficulty in reaching a compromise. "The big problem is that the government has nothing to give [the unions] in exchange."

Frequently during the past few years, Mr González has espoused tough-talking free market rhetoric without producing results. Now, in his latest and most serious campaign to tackle Spain's problems, Mr González is throwing into the breach his authority as Europe's best-respected Socialist prime minister. The environment, both in Spain and in the rest of Europe, has become a lot harsher; if he fails this time, that authority will start to crumble.

PERSONAL FILE

- **1942** Born in Seville.
- **1964** Joined Spanish Socialist party (PSOE)
- **1965** Graduated from law school. Studies at Catholic University, Louvain, Belgium
- **1966** Opened labour law office in Seville
- **1974** Elected first secretary of PSOE
- **1982** Prime minister
- **1986** Re-elected for a second term
- **1989** Re-elected for a third term
- **1993** Re-elected for a fourth term

The social role of savings

MICHAEL PROWSE on AMERICA

Why do many Americans support President Bill Clinton's drive to overhaul the US healthcare system but oppose his other main legislative priority - the North American Free Trade Agreement? The answer is that a guarantee of universal access to healthcare seems to promise greater economic security for many families whereas Nafta is widely (if wrongly) perceived as a threat to jobs and living standards.

What the federal government should or should not do to promote economic security in the face of intensified global competition is being hotly debated in Washington. Mr Bill Bradley, the Democratic senator from New Jersey, is urging Mr Clinton to do more than merely improve access to healthcare. To restore the shattered confidence of middle-income families, the US needs to create a broad "economic security platform". In addition to universal health cover this would include lifelong access to education and training – to enable displaced workers to relaunch themselves in new careers – and tough regulation of private pension schemes to end discrimination against workers forced by competitive pressures to switch jobs frequently.

Mr Bradley's remarks are timely. The federal government could certainly do more to promote adult educational opportunities and make pensions fully portable. But economic insecurity presents a much broader challenge for governments everywhere: to foster an improved public understanding of an individual's responsibilities in a competitive market economy.

With the demise of communism, nearly everybody agrees market capitalism offers a better hope of improved living standards than alternative economic systems. But market forces can work their magic only if people are willing to adapt. No group of workers can be guaranteed indefinite employment at any particular level of wages. A market economy can deliver steadily higher average living standards only if everybody accepts an implicit bargain: changing economic conditions may require them, at some point, to make a temporary sacrifice. It is failure to accept the risks associated with capitalism that creates the rigidities that prevent rapid growth.

But why are many people terrified by the pace of change imposed by global market forces? The short answer is they cannot afford to be flexible because they lack a financial cushion to carry them through bad times. People without savings are unlikely to support free markets.

Since antiquity, economists have preached the virtues of thrift. But today arguments for higher saving are usually couched in one-dimensional macroeconomic terms. Savings, we are told, will promote investment and hence lead to faster growth. In the long run, this logic is irrefutable: if people do not postpone consumption, capital cannot be accumulated. If capital is not accumulated, an economy cannot expand.

But the crucial role of personal savings in helping individuals cope with the vicissitudes of a market economy is too often overlooked. The argument has particular force in the US (and other Anglo-Saxon economies) where rates of personal savings tend to be abysmally low. The best way to reduce people's feelings of insecurity and to increase their commitment to capitalism is to persuade them to save a higher fraction of their income. This will lubricate economic change more effectively than an extension of publicly-funded social benefits, which tend to undermine individuals' incentive to accept responsibility for their economic futures.

The commitment to thrift in the East Asian "miracle" economies shows that much higher levels of personal savings are possible even for families on low to medium incomes. The first step western governments should take is to remove fiscal disincentives to saving. The US, which raises only a tiny proportion of national revenue through consumption taxes, is one of the worst offenders in this respect. The US tax code directly penalises saving by taxing nominal, rather than real, interest income and capital gains. And it provides huge subsidies for personal borrowing: mortgage interest of up to $1m a year is deductible.

A more controversial question is whether governments should mandate higher rates of personal savings rather than merely level the fiscal playing field. This is the path now being taken by several developing countries. At first glance, government-imposed savings requirements may seem an unacceptable infringement of personal liberty. But it rather depends on their purpose.

Suppose mandated savings were introduced as an alternative to tax-financed welfare. Governments, after all, could abolish most public sector pensions and require everybody to save a sizeable fraction of income through portable private pension schemes. Which would be the greater restraint of liberty: mandated savings obliging people to accumulate wealth and so take responsibility for most of their future needs; or taxes forcing people to finance benefits for others?

A social policy that relies on, or demands, increased personal saving is bound to be widely unpopular. It is always more pleasant if somebody else pays. Yet it is necessary both to fuel economic growth and to cope with the economic insecurity that is the counterpart of market dynamism.

Of broking and jobbing the Pelikan's fond,
See how sweetly he puts your word onto bond.

Pelikan

JOTTER PAD

Nato's growing pains

IAN DAVIDSON on EUROPE

The crushing of the Moscow parliament raises troubling questions about the future of Russia and the policies of the west towards Moscow. In the west the short-sighted have brayed crude applause for the victory of the good over the bad. Reality is less reassuring. It seems likely that from now on, events in Russia will present the west with increasingly difficult policy dilemmas.

The end of the parliamentary-presidential stalemate in Moscow may open the door to the economic reforms needed to stabilise Russian society; the new parliament due to be elected in December may help the building of a precarious democracy.

But events may prove less utopian. If Russia becomes "democratic", it may not remain stable: if "stable", it may not remain democratic. The new parliament could be as incoherent as the old, and just as obstructive to government policy. Worse, the bloody and incompetent use of military force in putting down the parliament, may turn out to be an ominous precedent for the role of the military in the turbulent years ahead.

As a result, western leaders face new and serious dilemmas. They have supported President Boris Yeltsin, partly because he faced down the abortive communist coup against President Mikhail Gorbachev in August 1991, partly because he has the legitimacy of popular election. Since the parliamentary shoot-out, western support has become almost unconditional.

Yet this crisis may mark a watershed in east-west relations. The west still has every reason to hope for friendship with Russia; it still wants and supports democratic and economic reforms. But the Moscow crisis and its bloody conclusion, through some uncertain Faustian pact between army units and the state, contain the risk that Russia may become more unstable internally, more dangerous externally.

In other words, western security anxieties, which only four years ago seemed to have evaporated in the heady euphoria following the collapse of the Berlin Wall, are now likely to move up the agenda again.

These anxieties are already welling up in a new debate on the future of Nato, which will come to a head at next January's Nato summit. And topping that agenda will be the most contentious question: should Nato extend its reach, or even its membership, to include countries in eastern Europe?

Poland, Hungary and the Czech Republic have all pressed their hope of joining Nato; and the idea of enlarging Nato membership has been encouraged in Germany by Mr Volker Rühe, German defence minister, and by Mr Manfred Wörner, Nato secretary-general. Even Chancellor Helmut Kohl has endorsed the idea that Nato should give security guarantees to eastern Europe, perhaps short of full membership.

The question of Nato enlargement will be settled essentially in Washington, but it will also be crucially influenced by events in Russia. In August, in a public statement in Warsaw, Mr Yeltsin gave the green light to Nato membership for Poland and other east European countries. Since then, however, he has reversed tack and privately warned western leaders against any such enlargement; instead he has proposed that Russia and Nato should jointly guarantee the security of eastern Europe.

This proposal has no chance of acceptance. The countries of eastern Europe have only just thrown off the "security" imposed by the former Soviet Union, and they will not accept its return by the back door. But it is disturbing confirmation of other claims advanced by Russia to a right to intervene in the "near abroad" – that is, its neighbours in the former Soviet empire.

Senator Richard Lugar, leading foreign policy spokesman for the US Republicans, thinks enlargement is the best way to give Nato a new lease of life. But most US policymakers will be even less enthusiastic about enlarging Nato than the Russians. Their first hope is peace with their new Russian friends; an extension of Nato to the Russian frontier would look provocative, even hostile.

More important, the US will be reluctant to extend the real prize of Nato membership – the ultimate security umbrella of an American nuclear guarantee. While Russia's stability hangs in the balance, it is implausible that Washington should extend such a guarantee to new Nato members in the east, at the same time as it is slashing its troop forces in the west, now down to 100,000 men and falling.

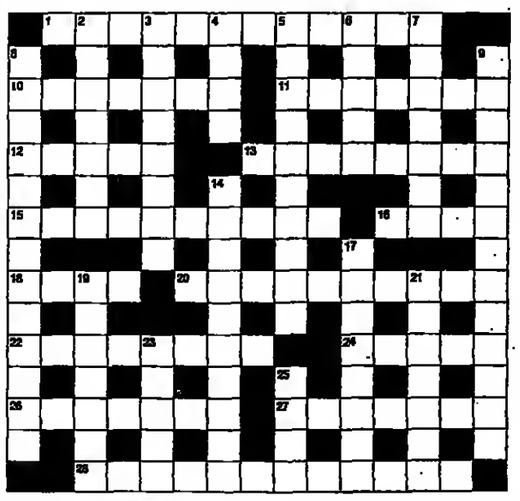
The problem will not go away, however, because enlargement of the European Community will automatically raise the question of Nato membership. The 12 are now negotiating membership with four countries belonging to the European Free Trade Association, and they are close to conceding eventual membership for eastern Europe. The Maastricht treaty commits the Community to the development of a common security policy. But if Nato cannot be expanded, the security policy of an enlarged EC would have to be conducted mainly outside Nato.

This is the epitome of the EC's political dilemma. It can develop as an independent partner in the trans-Atlantic community in which its security policy can be the European pillar in intimate alliance with the US. Or it can develop in the direction of a pan-European structure, in which case its enlargement towards the east would progressively weaken the link with the trans-atlantic Alliance.

In some ways, western Europe will have to embrace the east. But it is obviously not yet ready to take on, by itself, the risks and possible threats posed by the disintegrating Russian empire.

CROSSWORD

No.8,276 Set by QUARK



ACROSS

1 Best man dined out, preoccupied presumably (6-6)
10 The useless plant attached to the blade grows by the shore (7)
11 Stoke coal with ire? That'll provide some heat (7)
12 Rebuild one by the wood (5)
13 The thought is in the French to exalt to perfection (8)
15 Able to cross the pond? (State of ground after lot of water) (5-5)
16 Worn out cane (4)
18 Extravagant publicity in pushy periodical (4)
20 Going down one side? (10)
22 Flyer upset with ice cracking violently (8)
24 Important date after work for musical performance (6)
26 Artist in London district noted for colourful display (7)
27 Round panel I reconstructed it's difficult to see through (7)
28 Does away with the former finishes (12)

DOWN

2 Pub's behaviour rules scanned before payment? (3,4)
3 English light unit for all? (8)
4 Neat small container (4)
5 Occasional event on a lake (10)
6 Neat ledger turned up to include old letter (5)
7 Pests perpetrate violent crime (7)
8 Arrive at the boundary, say, and take a leading part (4,2,3,4)
9 Mention artist's unwelcome bank statement (5,2,6)
14 Plant in difficult position round the stream (10)
17 Unbroken view of gold in Central American republic (8)
19 Empire's broken up (statement assumed to be true) (7)
21 Crack about minister's diamonds (7)
23 Old navigator – a sailor in a sort of hammock (5)
25 Look over a hundred and one places (4)

The solution to last Saturday's prize puzzle will be published with names of winners on Saturday October 23.

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Partition plan unleashes wave of Bosnia expulsions

By Laura Silber in Bijelina

FEARS that a plan for the ethnic partition of Bosnia-Hercegovina would unleash a new wave of forced expulsions have been confirmed.

Serb authorities are evicting Moslems who over 18 months of war have remained in their home towns, designated part of the proposed Bosnian Serb mini-state.

Bosnian Croat forces, too, have stepped up their drive to expel the last Moslems from territory under their control.

In Bijelina, north-eastern Bosnia, Moslems willing to describe the terror seizing the prosperous town, where they once comprised half the population, speak only on condition their real names are not used.

Muhamed, a middle-aged teacher who was sacked by Serb officials, tells about a state commission which rounds up Moslems and forces them to cross front lines to the Bosnian government stronghold of Tuzla.

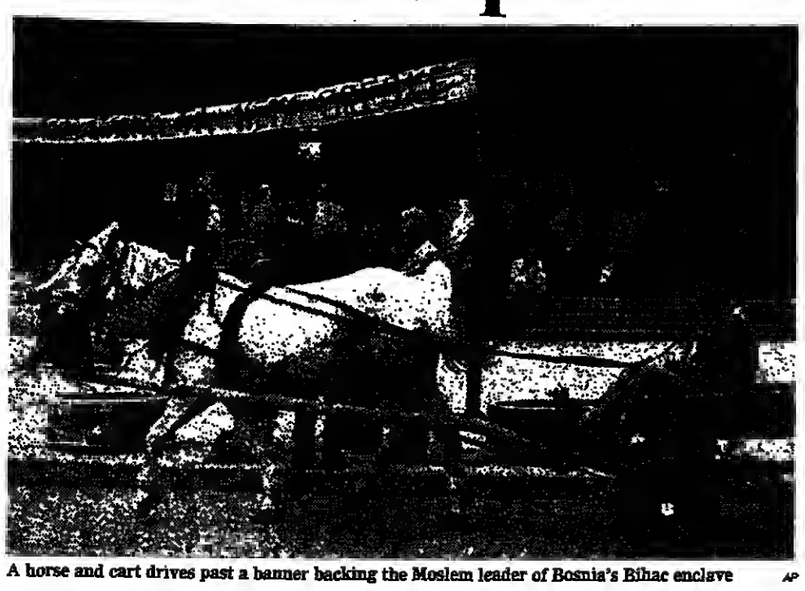
"First they check out the houses. They choose the big ones. In broad daylight, three men arrive in a black metallic Nissan jeep. If you are lucky, they give you three hours to pack," said Emira, his wife.

In a store front on a quiet street lined with well-groomed gardens, a group of tattooed thugs boast that they are the commission's security team.

One man, carries a Luger pistol, which, mimicking the sound of a gun shooting, he says he will use against anyone who interrupts his "work".

He says his commander is Mr Zeljko Raznatovic, known as Arkan, whose paramilitary unit in concert with the Yugoslav army in spring 1992 killed or expelled tens of thousands of Moslems from eastern Bosnia.

Moslems once comprised half of Bijelina's population of 32,000. The town was the first to fall to Serbian control.



A horse and cart drives past a banner backing the Moslem leader of Bosnia's Bihac enclave AP

The Commission selects "candidates" for the deportations. In what amounts to a trade-off, Serbian leaders allow looting of the Moslems as long as they are expelled.

Fearing retaliation, local Serbs opposed to the newest wave of ethnic cleansing remain silent. A Serbian eyewitness of the nightly round-ups says: "A group of Serb hooligans gathers about 40 Moslems every second or third night ... after that they are taken to agricultural high school. They steal everything from the Moslems, who have packed all their money and some gold."

Muhamed tells how he was evicted from his flat by Serb refugees but found shelter with relatives.

His wife, Emira, says local officials place Serb refugees from central Bosnia with Moslem families in a process called cuckoo's nesting. "When that happens I will leave, I could not bear it," she says.

But most Moslems are not allowed to leave. Some pay up to DM500 ($300) to "travel agencies" to be dumped at the Serbian border with Hungary.

"Moslem neighbours disappear. Even those that sign loyalty oaths," says Muhamed. "There is no way for us to survive here ... We don't know what we are waiting for," he adds.

Serbs halt UN relief convoys

UN OFFICIALS said relief convoys headed for two besieged Bosnian Moslem towns were held up at the last moment yesterday by Serb authorities in Banja Luka, contrary to earlier UN reports, Reuter reports from Sarajevo.

Mr Ray Wilkinson, a spokesman for the UN High Commissioner for Refugees (UNHCR), had said earlier the convoy had left the north Bosnian town of Banja Luka, but he said Serb authorities halted the convoy despite giving verbal permission previously.

"We didn't get final approval," Mr Wilkinson said. "We got every signature except one."

He said the convoy would stay in the Bosnian Serb stronghold of Banja Luka for the night, and was hoping to try again today

The two convoys were carrying 250 tonnes of aid for the Moslem towns of Maglaj and Tesanj, which have been cut off from food deliveries by road since June.

The UN estimates nearly 150,000 people are trapped in the Maglaj pocket in northern Bosnia, where Serb and Croat forces have encircled Moslem troops.

The convoy left Zagreb for the Maglaj area after lengthy negotiations between UNHCR officials and Serb authorities.

This would be the first UN aid convoy into the Maglaj pocket since June 1. The last UN convoy into the area was shelled outside Maglaj and three relief workers were killed.

The Maglaj region, where hundreds of people were reported to have been killed in repeated bombardments during the five-month joint Serb-Croat siege, was shelled again on Saturday, according to Sarajevo radio.

Europe to speed vetting of rights

By Edward Mortimer in Vienna

EUROPE'S Strasbourg-based human rights machinery is to be radically reformed, under a decision taken in Vienna at the weekend. The present two-tier system, under which complaints are exhaustively vetted by a commission before being heard by the European Court of Human Rights, will be scrapped in favour of a single court, in an effort to reduce the time it takes to reach a final judgement.

The decision was taken by the Council of Europe, the body which set up the machinery in the early 1950s. It was meeting at summit level for the first time in its 44-year history. Nearly all the 32 member states were represented by their head of state or government – the main exceptions being Britain, whose prime minister, Mr John Major, was attending his party's annual conference, and Greece, in the throes of a general election.

The summit also decided to call for a new "framework convention" on the protection of national minorities, and "a protocol complementing the European Convention on Human Rights in the cultural field by provisions guaranteeing individual rights, in particular for persons belonging to national minorities".

But whereas the protocol establishing the single court of human rights is to be ready for signature by next May, the documents on minority rights – a highly sensitive issue for many European governments – will take much longer to agree. And the framework convention, unlike the human rights convention, will not be enforceable by a court. It will only specify "the principles which contracting states commit themselves to respect".

Mr Vaclav Havel, the Czech president, voiced reservations shared by Britain and France when he warned the summit not to "let in the demon of national collectivism with a seemingly innocent emphasis on the rights of minorities and on their right to self-determination". Such an emphasis, he said, "inevitably leads to questioning of the integrity of the individual states and the inviolability of their present borders".

Under the draft protocol restructuring human rights machinery, judges of the single court (one for each member state) will sit in committees of three to weed out inadmissible cases, and in "chambers" of seven to try the merits of those judged admissible. Difficult or important cases may be referred to a "Grand Chamber" of 17 judges. Lord Mackay of Clashfern, Lord Chancellor, who represented Britain, says he hopes this procedure may halve the time to settle an average case (now 5-6 years).

Icy handshake for Yeltsin

Leyla Boulton and William Dawkins on president's Tokyo visit

RUSSIAN President Boris Yeltsin can expect an icily polite reception when he arrives in Tokyo this evening for a three-day official visit.

Mr Morihiro Hosokawa, the Japanese prime minister, will no doubt be relieved that Mr Yeltsin has at last made good his promise to make a visit, postponed twice already to the irritation and bewilderment of his hosts.

But once the welcoming handshakes are out of the way, Mr Hosokawa promises to get down to the prickly business of pushing for progress in the dispute over the four Kurile islands seized by Soviet troops in the final days of the second world war. He will also express regret over the recent bloodshed in Moscow – which prompted opposition calls for the visit to be cancelled.

Although vastly strengthened after suppressing his conservative enemies' armed uprising in Moscow, Mr Yeltsin is unlikely to be ready, this time round, for concessions on the islands Japan wants returned to it.

"It is difficult to expect a breakthrough in this direction," says Dr Vyacheslav Amirov of Moscow's Centre for Japanese and Pacific Research. "Notwithstanding the end of this first phase in Russia's internal conflicts, the future of the president and the outcome of forthcoming elections is still not clear." He did not, however, exclude "surprises" from Mr Yeltsin, who is unpredictable in his decision-making.

Typically, the president has not clarified his position, describing declarations by his prime minister in August that Russia would never return the islands as "just one variant". In contrast, Mr Gennady Burbulis, an aide who is the main libaral voice in the Yeltsin camp, told a recent seminar in Tokyo that he was sure the islands would be returned "sooner or later".

Regarding Moscow as an opportunistic aggressor in seizing the islands, Japan has yet to sign a peace treaty with Russia formally ending wartima hostilities.

Although the Japanese see their "northern territories" as the main item on the agenda, a Russian Foreign Ministry official on Friday blamed the media for "suggesting that the importance of this visit is based solely on this issue".

"Such an approach is being avoided by the Japanese side," he claimed. "The development of relations is only begining."

Admittedly, Japanese officials do not expect great progress on the islands during a visit which Mr Hosokawa last week described as more of a chance "to take Russo-Japanese relations to a new level".

Japanese will push for progress on the disputed islands

In a desire to improve relations, it hopes to conclude 15 co-operation accords ranging from space technology to improving safety at Russian nuclear power plants and helping to dismantle Russian nuclear weapons.

The most Tokyo hopes for on the territorial front is to name the four islands – Iturup, Kunashir, Shikotan and Hobbemai – in a joint communiqué at the end of the visit. Japan would take this as Russian acknowledgement of its claims to all four and a step forward from a 1956 communiqué – since nullified by Moscow – in which the Soviet Union offered to return two of them.

Even this is likely to be too much for Mr Yeltsin. Like Britain's Falklands, these islands inspire a sensa of national importance on both sides, out of scale with their economic value.

If any improvements are achieved during the visit, it will be thanks to the change of guard in Tokyo. Mr Yeltsin can be thankful that he is meeting the courteous Mr Hosokawa and not a prime minister from the LDP, the governing party for 38 years until it lost power this summer.

Despite his more conciliatory tone, Mr Hosokawa is under even more political pressure than his predecessors to get redress from Moscow for wartime wrongs. Many people, especially in the LDP, were shocked by his recent apologies for Japan's wartime aggression and see Mr Yeltsin's visit as an opportunity to restore the balance.

Japan has been careful not to spell out its offer in return for territorial concessions, beyond sticking to its policy that it will offer no large-scale economic aid until the issue is resolved. In practice, that stance has become increasingly hard to maintain. Japan is now Russia's third largest aid donor, with pledges of $5bn (£3.3bn) – of which only 10 per cent has been disbursed so far.

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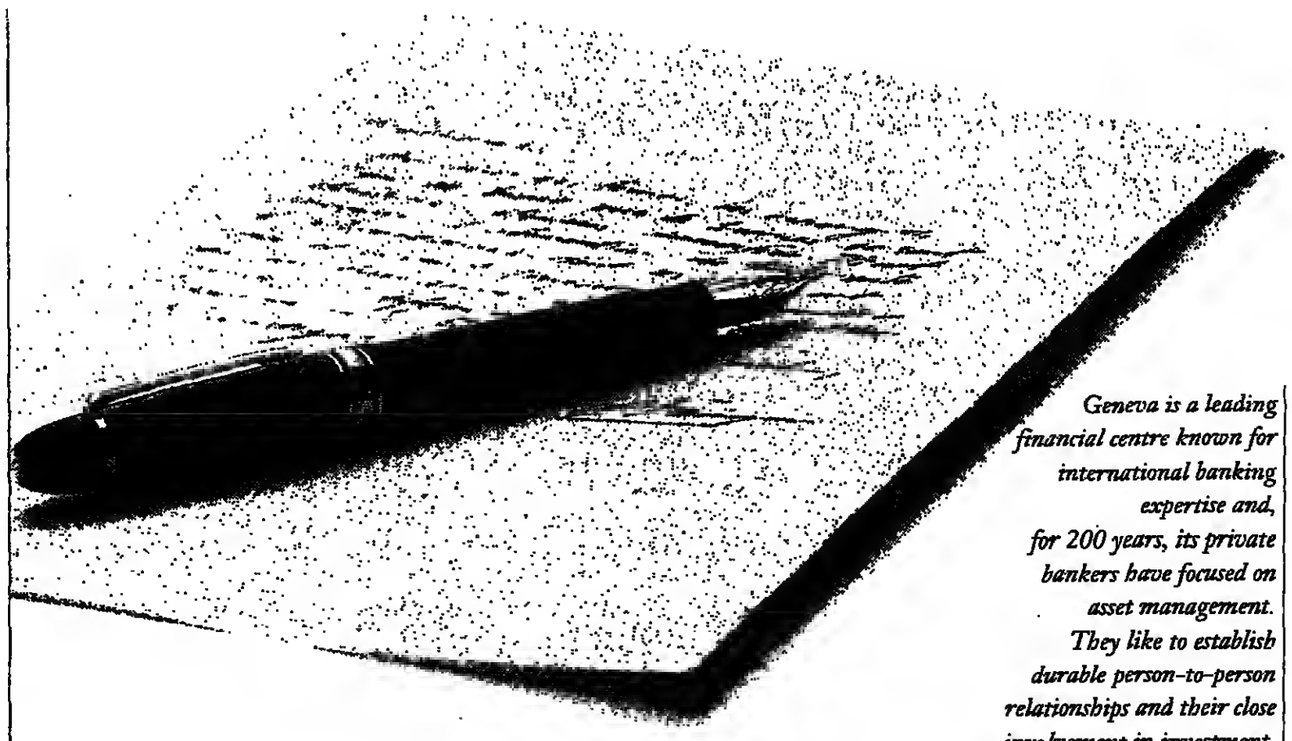

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Creative Business.

South Korea calls secret dealers to account

By John Burton in Seoul

SOUTH KOREA is today bracing itself for the final deadline in a decree issued two months ago by President Kim Young-sam banning the tax dodge of using false names for financial transactions. The deadline on converting such accounts into the real name of their owners expires tomorrow, and any remaining could be confiscated.

Some analysts expect the financial sector to be thrown into chaos by a massive last-minute withdrawal of funds from bank and stock accounts by large depositors – the so-called "big hands" who dominate the money markets – in an effort to hide their money from the tax collector.

This could trigger a banking crisis and cause temporary defaults at some financial institutions, while sending the stock market into a dive.

But officials discount such fears. "There is no way they can withdraw their money without disclosing their true identity," said Mr Lee Kyung-shik, deputy prime minister for economic affairs. He was referring to the requirement for all account holders to provide identification proving ownership of the assets when engaging in financial transactions.

About 70 per cent of the Won300,000bn (£245bn) in financial accounts has been identified since the decree was issued, according to Mr Yong Soo-gil, a senior government adviser who planned the reform. The large unverified portion has led to speculation that hidden financial assets may amount to between Won30,000bn and Won75,000bn, or 10-25 per cent of all financial accounts.

The government estimates that only Won3,200bn is being held under false-name accounts. But analysts argue that the problem is far larger because some account holders have borrowed the names of other people to hide their assets, which complicates the identification process.

In an attempt to encourage hesitant account holders to report their assets, the government recently announced that owners of anonymous accounts could buy low-interest 10-year government bonds to avoid tax investigations and gift and inheritance taxes. But there has been little response so far.

The government described the bond offer as one way to soak up money from the underground economy, which is estimated to equal 20 per cent of gross national product, and use it to revive economic growth.

Mr Kim's administration has been criticised for pursuing the real-name system at the expense of the economy. The central bank last week predicted that economic growth could slow to 4 per cent this year, the lowest rate since 1980, as a result of the real-name system.

The attack on the underground economy is disrupting growth because the hidden funds helped finance corporate investment and supported consumer spending.

Small and medium businesses, for example, have depended on funding from the unofficial kerb market, which is largely financed by money held under false names. The crackdown has caused that market to collapse and threatened the survival of small businesses unable to acquire bank loans because they lack collateral.

The government has provided Won1,000bn in emergency loans to the sector and claims it has averted a rise in bankruptcies.

Mr Lee and other officials express confidence that the economy will recover next year as the nation adjusts to the new system.

The stock market index fell by 8 per cent on the introduction of the real-name system, but has since recovered to its previous level. Some analysts even predict that share prices could rise sharply as false-name holders switch their funds to the stock market.

Meanwhile, the authorities are taking strict measures to prevent the flight of capital abroad, including searching departing passengers at airports for large amounts of cash or bank drafts. Officials are also examining property deals to prevent the secret funds finding a new home in land speculation.

Polls in provinces benefit Bhutto

By Farhan Bokhari in Lahore

MS BENAZIR BHUTTO'S ability to form a durable government in Pakistan was strengthened at the weekend by the outcome of provincial elections.

Her Pakistan People's Party (PPP) won a narrow lead in Punjab, the largest and wealthiest province, where her rival, Mr Mohammed Nawaz Sharif, has been chief minister.

As in Wednesday's national elections, in which Mr Sharif's Pakistan Moslem League (PML) also won fewer seats than the PPP, he refused to concede defeat.

Ms Bhutto said in Lahore: "Although the margin is small, the message is clear... that the Pakistan People's Party and its allies will be forming the government of Punjab." However, Mr Sartaj Aziz, secretary general of the PML, said in Islamabad: "How can they make such claims? They are still far from being there."

The PPP and its allies won 112 seats against the PML's 106 seats in the province, which has a total of 240 seats for Moslems and eight for non-Moslem members. The result has suddenly increased the importance of the non-Moslem members as well as another two independents. Both sides are now trying to win their support.

Ms Bhutto's party won a comfortable majority in her home province of Sindh.

The PML and its allies won enough seats to form the government in the North West Frontier province, while in Baluchistan no single group won enough seats to form the government.

At a national level Ms Bhutto is trying to win over smaller parties and independent members in the 217-seat lower house of parliament, where she and her allies have 95 seats so far against Mr Sharif's 72. The house is due to meet next week to elect the prime minister.

The Karachi stock exchange 100-share index fell 7.71 points to 1,362.12 yesterday, the first trading day after the election.

Talk of plots as PLO seizes its own guards

By Lamis Andoni in Amman

THE ARREST by the Palestine Liberation Organisation of several bodyguards at its headquarters in Tunis appears to reflect continued and deep divisions within the organisation over last month's historic Israeli-Palestinian accord.

PLO officials were quoted as saying that the crackdown followed two foiled attempts on the life of Mr Yassir Arafat, the PLO chairman. The plots were allegedly masterminded by Abu Nidal and Ahmed Jibril, leaders of two small renegade factions which oppose the pact.

However, other Palestinian officials in Tunis said the arrests were in fact a pre-emptive step by Mr Arafat to marginalise critics of the accord within the mainstream Fatah movement of the PLO. He was expected to use the alleged plots to discredit opponents of the agreement at last night's PLO central council meeting, called to discuss and ratify the deal.

Two main rejectionist groups, the Popular Front for the Liberation of Palestine (PFLP) and one wing of the Democratic Front for the Liberation of Palestine, have boycotted the meeting. Leaders of 10 rejectionist groups based in Damascus, and the Hamas Islamic resistance movement, last week agreed to create a new leadership for the six-year-old *intifada* uprising in the occupied territories and step up attacks on Israeli targets.

Further PLO-Israeli talks towards implementation of the outline deal begin on Wednesday in Cairo and in Taba, the Egyptian Red Sea resort.

David Horovitz adds from Jerusalem: Two Israeli hikers, shot and bludgeoned to death in the occupied West Bank on Saturday, were buried yesterday as Israeli ministers vowed not to let their killers undermine the peace accord.

Two rival groups opposed to the autonomy deal – the PFLP and the Moslem fundamentalist Islamic Jihad – each yesterday said they were responsible.

Most of yesterday's weekly cabinet meeting was devoted to discussion of the killings and of an attempted raid on northern Israel by the PFLP early on Saturday. "The war continues," said Mr Shimon Peres, foreign minister. "In the past it was a war against Israel, and today it is a war against peace with Israel."

Palestinian chief negotiator Haidar Abdel-Shafi arrives in Tunis for the PLO council meeting

Reuter

BCCI trial opens in Abu Dhabi

By Robin Allen in Abu Dhabi

THE trial in Abu Dhabi of 13 former officers of the Bank of Credit and Commerce International has been adjourned until 13 November following a preliminary hearing on Saturday. All of the defendants in court – 11 of the 13 charged – pleaded not guilty to the charges which include fraud, forgery, bribery and mismanagement.

If found guilty, each could face up to three years in jail on any one of the charges. Mr Mohammed Saleh Naqvi, a former chief executive, is charged on nine counts. Others, including Mr Agha Hassan Abedi, the bank's founder and president who is being tried in absentia, face up to a similar number.

In his opening statement, Mr Adli Mahmoud, the Egyptian public prosecutor, said the attorney general's office had had severe difficulty identifying the nature and extent of the alleged fraud because of the "family system" on which the bank operated, where those concerned were bound by friendship and personal ties originating in Pakistan. As bank officers, "they were all very careful not to give information which could harm each other", he claimed.

Abu Dhabi's exposure to BCCI and related entities amounted to $9.4bn, of which some $1bn may be recoverable in the longer term.

If, as is possible, the private department of Sheikh Zayed, the ruler of Abu Dhabi and president of the United Arab Emirates, institutes civil proceedings against the accused to seek compensation for financial losses, then the court proceedings could run on indefinitely.

It is more likely, however, that the criminal trial will proceed on its own, in which case the trial could last up to six months.

Pressure on Libya at UN over Lockerbie

By Mark Nicholson in Cairo

THE UNITED Nations Security Council will today begin formal discussions on a draft US, British and French resolution tightening sanctions against Libya which could go to a vote within days. British officials expressed confidence the resolution would be approved.

This follows Libya's refusal to turn over for trial in a US or Scottish court two men accused of planting the bomb which destroyed a PanAm flight over Lockerbie, Scotland, in 1988 – and their failure to volunteer themselves for trial.

A 15-strong team of international defence lawyers said after a two-day meeting in Tripoli with the two men that they saw legal impediments to their clients receiving a fair trial in Scotland. They expressed "grave concern" that any trial there would be prejudiced by the extensive publicity surrounding the case.

The meeting was part of a complex series of moves which British and other western diplomats claim is simply an elaborate attempt to buy time and perhaps stall imposition of sanctions.

Can Yeltsin be a democrat and a reformer?

HAVING seized power by eliminating the core group of opponents to his economic programme, Russia's President Boris Yeltsin must now decide how to use it.

His first instinct seems to be to press ahead with parliamentary elections in December. But Mr Yeltsin knows both that the state of the economy wins elections, and that the Russian economy is not in good shape. Hence his dilemma: delaying elections may threaten his political legitimacy; pressing ahead with elections quickly may prevent him from implementing the kind of radical economic reforms upon which his political future depends.

This is a subject on which officials from the World Bank and the International Monetary Fund are required to keep quiet. Publicly, they have no views about the desirability of different political regimes. But the combined experiences of the IMF and the World Bank must have taught them some lessons about the links between economic outcomes and the nature of political regimes.

The first lesson seems to be that there is no discernible relationship between economic growth and political regime. China has posted faster growth rates over the past decade and achieved a much larger rise in literacy than India, one of the world's oldest democracies. But Poland has managed both to revive its economy and manage a transition to democracy, neither of which has occurred in authoritarian Romania. Zaire does not suggest authoritarianism is good for growth, but nor do Kenya, Zimbabwe or Nigeria suggest that multi-party elections deliver economic recovery.

A more systematic examination of the relationship between growth and democracy conducted by John Helliwell at the US National Bureau of Economic Research fits this anecdotal view. In a sample of 98 countries over the period 1960 and 1985, he finds that countries with higher levels of income per head are more likely to be democracies, but that democracies do not tend to grow either faster or slower than non-democracies.*

Yet Russia's situation is a little more delicate: before it can worry about growth, Mr Yeltsin's government must first stabilise the economy's rapid inflation rate. But will elections help? Stabilising a monthly inflation rate of 20 per cent should improve the lot of millions of Russians. But the corollary of a successful stabilisation is likely, at least in the short term, to mean a rise in unemployment from less than 1 to perhaps considerably more than 10 per cent.

The World Bank did, in fact, examine the links between successful IMF stabilisation programmes and political regime a few years ago. The results, buried deep in the 1991 World Development Report, are reproduced in the chart. Success is measured by the number of years in which fiscal deficits, central bank credit growth or government spending fell. The analysis suggests that there is little to choose between continuous democratic or authoritarian regimes: credit growth falls about 60 per cent of the time in both cases. But the chances of successful stabilisation were much lower in countries which only recently made the transition to democracy, presumably because political allegiances were more fluid and governments more anxious to deliver signs of progress.

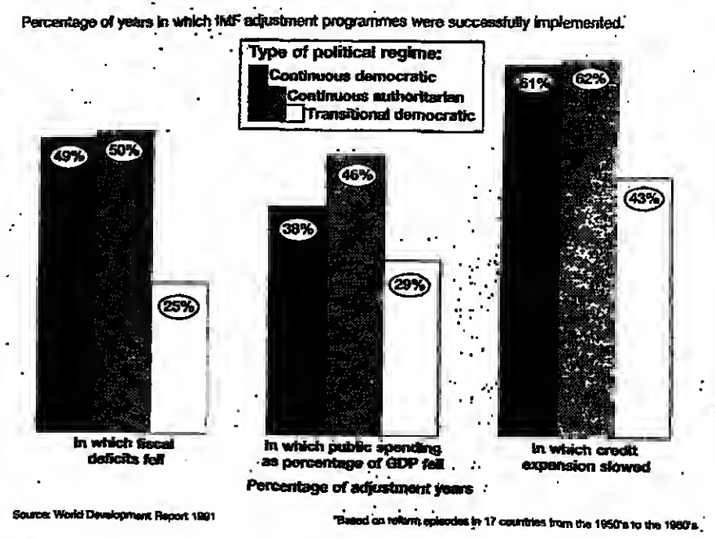
This tension between political transition and economic stabilisation is not only a dilemma for Mr Yeltsin. The G7 governments probably have little option but to link aid to democratic reform in Russia. But, as IMF or World Bank officials may whisper in their ears, that does not necessarily imply that democratic elections, as opposed to the promise of them, must be a precondition for either aid or reform. Ghana, one of Africa's most successful reformers, waited 10 years between stabilisation and multi-party elections. And, as Mr Yeltsin may reflect, these were won by the erstwhile dictator, Flight Lieutenant Jerry Rawlings.

Edward Balls

* *Working paper 4066, May 1992. NBER, 1050 Mass. Ave, Cambridge MA 02138 USA.*

Politics of successful stabilisation

Percentage of years in which IMF adjustment programmes were successfully implemented.



Source: World Development Report 1991

*Based on reform episodes in 17 countries from the 1950's to the 1980's.

INTERNATIONAL ECONOMIC INDICATORS: PRICES AND COMPETITIVENESS

Yearly figures are shown in index form with the common base year of 1985. The real exchange rate is an index throughout; other quarterly and monthly figures show the percentage change over the corresponding period in the previous year and are positive unless otherwise stated.

UNITED STATES

	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate
1985	100.0	100.0	100.0	100.0	100.0
1986	101.8	98.8	102.2	99.4	83.7
1987	105.6	100.7	108.9	96.7	74.9
1988	109.9	103.2	106.8	99.1	71.4
1989	115.2	108.5	110.0	101.1	75.0
1990	121.5	113.8	113.8	104.3	71.8
1991	126.6	118.3	117.3	107.8	71.3
1992	130.4	117.7	120.2	108.1	70.8
3rd qtr.1992	3.1	1.9	2.3	0.7	68.1
4th qtr.1992	3.0	1.6	2.2	–0.8	72.2
1st qtr.1993	3.2	2.0	2.6	–1.9	74.3
2nd qtr.1993	3.2	2.0	2.5	–2.4	72.7
3rd qtr.1993					73.7
October 1992	3.2	1.7	2.5	–0.4	70.2
November	3.0	1.4	1.7	–1.1	73.2
December	2.9	1.8	2.5	–1.0	73.4
January 1993	3.3	2.0	3.4	–1.8	74.5
February	3.2	2.0	2.5	–2.1	74.7
March	3.1	2.0	2.5	–2.0	74.0
April	3.2	2.5	2.6	–2.1	72.6
May	3.2	2.0	2.5	–2.1	72.5
June	3.0	1.4	2.6	–2.9	73.0
July	2.8	1.3	2.5	–2.7	74.3
August	2.8	0.6	2.5	–2.9	73.9
September					73.0

JAPAN

	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate
1985	100.0	100.0	100.0	100.0	100.0
1986	100.9	95.3	101.4	103.3	118.2
1987	101.2	92.5	103.1	100.8	123.3
1988	102.2	92.3	107.8	98.2	130.0
1989	104.8	94.2	114.0	98.1	122.1
1990	108.2	95.7	120.1	98.2	109.2
1991	111.8	96.8	124.2	101.8	116.2
1992	113.9	95.8	125.6	111.1	118.7
3rd qtr.1992	2.0	–0.8	0.7	8.9	117.1
4th qtr.1992	0.9	–1.2	–0.1	10.4	122.2
1st qtr.1993	1.2	–1.1	–0.5	7.0	126.0
2nd qtr.1993	1.0	–1.4	0.7	5.3	135.0
3rd qtr.1993	1.7				142.0
October 1992	1.2	–1.1	1.2	10.5	121.8
November	0.8	–1.1	1.2	10.4	122.4
December	0.9	–1.2	–1.0	10.3	122.3
January 1993	1.0	–1.1	–3.8	10.1	122.0
February	1.3	–1.0	1.3	7.3	128.4
March	1.2	–1.2	1.0	3.8	129.2
April	0.9	–1.3	2.0	5.4	132.0
May	1.1	–1.5	2.3	6.1	134.4
June	1.0	–1.5	–0.9	4.5	138.7
July	1.8	–1.7	0.8		140.2
August	2.0				145.2
September	1.4				140.8

GERMANY

	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate
1985	100.0	100.0	100.0	100.0	100.0
1986	98.9	97.5	103.8	103.9	107.0
1987	100.1	95.1	108.0	107.1	110.5
1988	101.4	96.2	113.0	108.8	109.9
1989	104.2	99.3	117.3	108.0	108.4
1990	107.0	101.0	123.8	110.3	110.3
1991	110.7	103.4	131.8	115.0	108.4
1992	115.1	104.8	138.8	121.5	110.5
3rd qtr.1992	3.5	1.0	n.a.	8.5	111.2
4th qtr.1992	3.7	0.5	n.a.	7.7	113.2
1st qtr.1993	4.8	0.5	n.a.	8.8	113.4
2nd qtr.1993	4.2	–0.2	n.a.	5.2	111.7
3rd qtr.1993	4.2		n.a.		
October 1992	3.7	0.5	-	7.0	113.7
November	3.7	0.5	-	9.5	112.4
December	3.7	0.5	5.2	6.7	113.4
January 1993	4.4	0.8	-	11.5	113.6
February	4.2	0.5	-	11.5	113.5
March	4.2	0.3		5.9	113.1
April	4.3	0.1		7.5	112.6
May	4.2	–0.3		5.0	111.5
June	4.2	–0.4		3.2	110.6
July	4.3	–0.2			110.3
August	4.2	–0.3			111.7
September	4.0				113.3

FRANCE

	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate
1985	100.0	100.0	100.0	100.0	100.0
1986	102.5	97.2	104.5	101.5	102.9
1987	105.9	97.8	107.8	103.0	104.1
1988	106.8	102.8	111.1	104.0	101.9
1989	112.8	108.4	115.4	105.3	99.8
1990	116.5	107.1	120.6	109.5	102.9
1991	120.2	105.8	125.8	113.6	101.3
1992	123.0	104.0	130.3	115.8	104.7
3rd qtr.1992	2.7	–0.9	n.a.	1.8	105.0
4th qtr.1992	2.2	–1.5	n.a.	2.8	108.2
1st qtr.1993	2.1	–2.3	n.a.		109.3
2nd qtr.1993	2.0	–3.3	n.a.		109.3
3rd qtr.1993			n.a.		105.9
October 1992	2.4	n.a.	–	n.a.	108.8
November	2.1	n.a.	–	n.a.	107.9
December	2.0	n.a.	3.8	n.a.	108.0
January 1993	2.1	n.a.	–	n.a.	108.6
February	2.1	n.a.	–	n.a.	109.8
March	2.2	n.a.	3.4	n.a.	109.7
April	2.1	n.a.	–	n.a.	110.0
May	2.0	n.a.	–	n.a.	109.3
June	1.8	n.a.	2.8	n.a.	108.5
July	2.1	n.a.	–	n.a.	106.3
August	2.2	n.a.	-	n.a.	105.0
September		n.a.		n.a.	106.3

ITALY

	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate
1985	100.0	100.0	100.0	100.0	100.0
1986	108.1	103.2	104.8	102.7	103.6
1987	111.0	103.2	111.8	105.5	104.8
1988	116.5	106.8	118.4	109.7	103.8
1989	124.2	113.1	125.8	112.3	107.4
1990	131.8	117.8	134.7	116.9	108.5
1991	140.3	121.7	147.9	131.3	107.7
1992	147.7	124.0	155.8	136.9	102.4
3rd qtr.1992	5.2	1.9	3.7	2.7	104.3
4th qtr.1992	4.8	2.2	2.9	6.5	93.0
1st qtr.1993	4.8	3.1	2.8	4.4	85.8
2nd qtr.1993	4.1		3.1		86.5
3rd qtr.1993	4.3				85.4
October 1992	4.9	2.0	4.1	n.a.	92.6
November	4.5	2.2	2.1	n.a.	94.7
December	4.9	2.5	2.4	n.a.	91.4
January 1993	4.2	2.8	2.8	n.a.	88.0
February	4.4	2.9	2.8	n.a.	86.0
March	4.2	3.5	2.7	n.a.	83.6
April	4.2	3.7	2.8	n.a.	83.9
May	4.0	3.9	2.8	n.a.	87.7
June	4.2		4.2	n.a.	88.1
July	4.4		4.1	n.a.	86.5
August	4.4			n.a.	85.4
September	4.2			n.a.	84.3

UNITED KINGDOM

	Consumer prices	Producer prices	Earnings	Unit labour costs	Real exchange rate
1985	100.0	100.0	100.0	100.0	100.0
1986	109.4	104.3	107.7	104.5	94.2
1987	107.7	108.3	118.3	105.9	94.2
1988	113.0	113.2	128.2	108.8	101.6
1989	121.8	118.0	137.2	113.8	100.9
1990	133.3	128.3	150.1	123.2	102.2
1991	141.2	133.1	162.4	131.7	105.8
1992	146.4	137.2	173.1	133.8	102.9
3rd qtr.1992	3.9	2.8	8.2	1.2	105.7
4th qtr.1992	3.0	3.1	5.7	–0.3	92.8
1st qtr.1993	1.8	3.8	4.9	–2.9	92.4
2nd qtr.1993	1.3	4.0	4.2	–2.2	94.8
3rd qtr.1993					96.5
1992 October	3.6	2.8	8.3	–0.5	93.8
November	3.0	3.1	5.6	0.2	91.3
December	2.8	3.4	5.4	–0.8	93.5
1993 January	1.7	3.6	5.0	–3.3	94.9
February	1.8	3.6	5.9	–2.8	90.3
March	1.9	3.7	4.0	–2.5	92.0
April	1.3	4.0	4.5	–1.8	94.8
May	1.3	4.0	4.4	–4.4	95.1
June	1.2	4.0	3.7	–0.4	94.8
July	1.4	4.2	3.7	–0.6	97.0
August	1.7	4.3			96.8
September					96.1

Statistics for Germany apply only to western Germany. Data supplied by Datastream and WEFA from national government and IMF sources, and by JP Morgan, New York. Consumer prices: not seasonally adjusted. Producer prices: not seasonally adjusted. US – finished goods, Japan – manufactured goods, Germany – industrial products, France – intermediate goods, Italy – total producer prices, UK – manufactured products. Earnings index: not seasonally adjusted, refers to earnings in manufacturing except France and Italy (wage rates in industry). Hourly except Japan (monthly) and UK (weekly). Unit labour costs: seasonally adjusted, measured in domestic currencies. Germany – mining and manufacturing, other countries – manufacturing industry. Real exchange rate: JP Morgan real effective exchange rate index versus 16 industrial country currencies, adjusted for change in relative wholesale price of domestic manufactures. A fall in the index indicates improved international competitiveness.

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FINANCIAL TIMES SURVEY

BUSINESS LOCATIONS IN EUROPE

Monday October 11 1993

The driving force behind much of the business location activity across Europe arises from the need to consolidate manufacturing, distribution and management functions, and to adjust to a wider European market of 400 million people, reports **Michael Cassell**

Companies face tough decisions

WHILE the politicians agonise over the future shape and direction of Europe, the commercial community which makes up one of the world's most powerful economies has to get on with its business. The luxury of long-term summitry is for others; winning the next order is top of the daily agenda.

But as corporata Europa clocks on, it is increasingly obliged to take note of far-reaching structural changes, proposed and underway, in the political and economic landscape.

Companies' future success or failure will depend on the strength of their strategic skills and how they deploy them to best exploit a western and central European market of 400m people.

Nor will the game of winning in Europe only be played by the huge multinational corporations who are well used to adapting, chameleon-like, to local circumstances; more modest-sized businesses will have to raise their sights to wider, European horizons.

Even without the prospect of an enlarged community, the parameters for doing business are already changing. The recent creation – by the EC and the seven member states of the European Free Trade Association – of the European Economic Area establishes the world's largest free trade market.

Central and eastern European markets, despite the immense difficulties confronting businesses intent upon capitalising on the new freedoms of former communist states, add yet another dimension to the marketplace.

Small wonder that there is a growing tendency for companies to abandon the notion of the nation state and to think in European terms for their markets and regionally for their manufacturing, distribution and management facilities.

Still less surprising that companies from the world's most important trading nations, like the US and Japan, remain keen to increase their presence and participation in Europe, even if their efforts are temporarily subdued by liquidity pressures and recession.

The big inward investors are maintaining extensive inward investment programmes, but the decision-making process is being stretched and in such uncertain economic times there is a growing reluctance to push the button.

Much has also been made of the threat to Europe posed by the economic power-house fast emerging along the Pacific rim, with a ferocious rate of high-technology investment being notched up in places like Taiwan and South Korea.

Tha US might also ba increasingly attracted to markets on its own doorstep once it signs a North American Free Trade Agreement with Canada and Mexico. But does that mean that Europe's best days for attracting global business are over?

"The idea that Europe as a location for corporate investment is somehow 'over the top' is ridiculous," according to Dr Wilfried Vossen, managing director of Plant Location International, the location specialists. "Europe is and will remain a huge market, with high education and skills levels and enormous consumer power. But it is certainly going to have to adapt if it is not to lose the international battle for investment.

"Europe is becoming a very expensive alternative to other investment locations and it is going to have to tackle many sacred cows, not least high social costs which can no longer be afforded and which make it very hard to create employment," adds Dr Vossen.

Such comments find a warm reception among critics of the EC social chapter in the UK, which has refused to sign up. The Institute of Directors recently described EC social legislation as a "misdirected and damaging job-destroying machine"; and the British government is now calling on EC members to reform their social security systems in order to cut the rising cost of employment. Germany's most recent experience would tend to support the theory. According to Mr David Rees, head of location advisory service at Ernst & Young: "There is now a flow of outward investment from German companies into other parts of the community as they migrate away from their own high costs".

German investment in the UK now ranks second behind the United States, with 51 investment decisions – involving 16,000 jobs – recorded in the year to April 1993 by the Invest in Britain Bureau.

THE UK has a lot at stake, given its record as the most successful European nation in the fight to attract inward investment. In the last decade, the UK is calculated to have taken nearly 40 per cent of all non-EC investment made in Europe. The country also accommodates about 30 per cent of all the Japanese manufacturing plants which have moved into the EC.

Past achievement, even so, is no guarantee of future success and now competition for foreign investment is intense, with France and Spain, for exampla, giving priority to attracting their share of available funds.

With the first wave of large, green field investment over, there may also be a temptation among many companies to spread risk by selecting a separate location for second generation projects. Tha type of investment may also change, with fewer green field developments and more attention paid to expanding or modernising existing facilities.

The driving factor behind much of the location activity now underway across Europe emanates from the search for aconomies of scale and the need to rationalise structures established when European markets were more fragmented – "the rate of consolidation under way is dramatic," according to Dr Vossen of PLI. "Companies are taking e long, hard look at manufacturing, distribution and managerial functions at European, national and company levels.

"It is not proving an easy task. Wa are talking about kingdoms being dismantled and everyone fighting to protect their own patches".

One inevitabla, less welcome aspect of consolidation is plant closure and some international companies have notably failed to underestimate the problems and costs of shut-down, a process often subject to stringent national laws.

The image of footloose multinational conglomerates roaming Europe in search of short-term advantage is largely unfounded bnt Hoover's decision earlier this year to close its Dijon plant in France and locate all its vacuum cleaner prodnction in Scotland provoked uproar. More recently, the tables were reversed when CPC (UK) decided to move production of its Knorr brand soups and cubes from Scotland, where it has been based for 30 years, to France and Italy. But how does a company decide where to go, when there are so many options and when mistakes can prove so costly?

Though Europe may present itself increasingly as a region which is interdependent and heading for economic convergence, it remains e widely diverse trading area, scattered with languages, differing employment laws and taxation regimes.

Market accessibility continues to be the principal driving factor behind choice of site but then peripheral locations may offer factors like lower labour costs and better quality of life.

The availability of financial incentives for inward investors, which vary considerably throughout the EC, is also emerging as an increasingly important factor, given the pressing need to limit cost. Not too long ago, the question of incentives came into the latter stages of the decision-making process; hard times dictate that more companies are now anxious to know from the outset where the best cash handouts are available.

■ INVESTMENT INTO THE UK – 1992-93

Investment decisions and associated employment by overseas-owned companies into the UK, 1992-93:

Country	Number of projects[1]	Jobs associated[2]
US	126	23,070
Germany	51	16,032
Japan	21	2,038
Switzerland	15	1,032
France	14	1,956
Netherlands	10	1,564
Sweden	10	1,019
Rest of Europe	30	5,601
Rest of the world	25	3,961
TOTAL	303	56,271

■ Over the last decade, the UK has held the record as the most successful European nation in attracting inward investment. Britain has taken nearly 40 per cent of all non-EC investment made in Europe. The UK also accommodates about 30 per cent of all the Japanese manufacturing plants which have moved into the European Community. See report on page two of the survey.

Footnotes – 1: Investment decisions (including first time investment, expansion acquisition and joint ventures); 2: Estimate of long-term employment associated with the project, but not every decision is accompanied by an employment estimate. Source: IBB

☐ Where to locate: a review of the deciding factors: see page 3 of this survey.
☐ Inward investment: page 2.
☐ Eastern Europe: page 3.
☐ Going south: The Mediterranean region: page 4.
☐ Sources of advice: page 5.
☐ France, Germany: page 6

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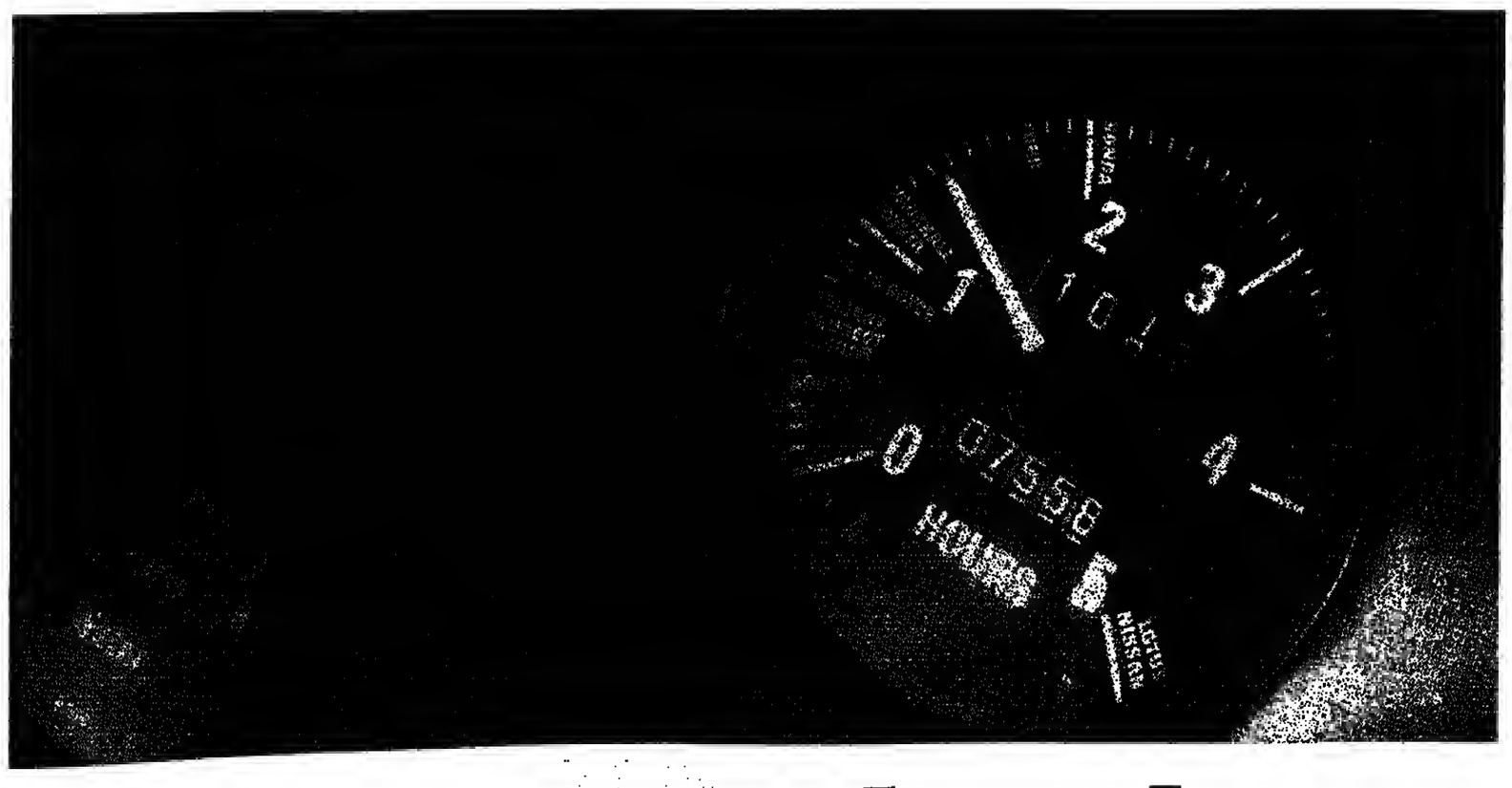

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BUSINESS LOCATIONS IN EUROPE 2

Countries in the European Community continue to attract a brisk level of inward investment

EC remains a powerful magnet

Inward investment activity from beyond the EC continues to be dominated by the US and by the Japanese, who are likely to maintain their predominant position, reports Michael Cassell

DESPITE the global recession, which has inevitably dented the flow of international investment funds heading for Europe, the EC remains a magnet for incoming, corporate investment.

The process of starting or expanding investment in Europe by companies based beyond its boundaries has become a more protracted business as economic uncertainties have multiplied.

But the evidence shows that, in the face of the growing threat posed by booming investment centres along the Pacific Rim, the sheer scale and sophistication of European markets guarantees for many of them a continuing, high level of inward investment.

Estimates suggest that the EC countries have, in the early part of the 1990s, been attracting in the region of $65-70bn of new, annual investment from beyond their boundaries.

The general expectation is that, after some reduction as a result of recent economic weaknesses, they will continue to attract a major share of all corporate investment activity.

The Americans - with around 30 per cent of all their corporate assets now located outside the US - are no strangers to investing in the EC and account for more than half the total foreign investment pouring in to the region.

But while there are no suggestions the US will cease to become a leading player in European corporate investment, there are pressures being brought to bear which will make EC nations a less obvious target for spending by American corporations.

The free trade agreement signed between the US and Canada, America's largest trading partner, and the new emphasis being placed on trade between Mexico and the US, mean that Europe is going to have to fight harder to claim its stake of North American investment.

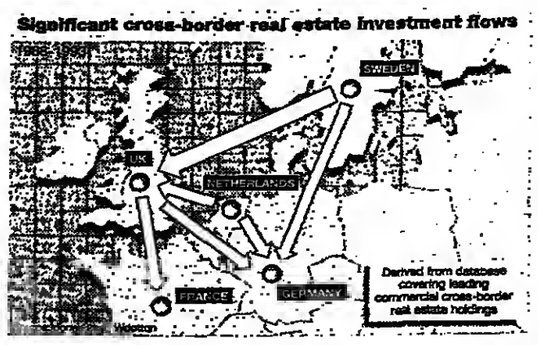
The Japanese have come comparatively late to overseas investment markets - a decade ago only 4 per cent of their total corporate assets lay overseas - but they have moved impressively to reach 15 per cent. After an initial period of heavy investment, however, most Japanese corporations have come under immense liquidity pressures and have moderated the pace of new foreign investment.

Even so, 20 per cent of Japanese overseas investment is ending up in Europe.

While most US companies appear to have positively based their decisions to locate in Europe on the scale and potential of the market, the Japanese seem, initially at least, to have been motivated more out of fear of being thwarted than by any renewal in protectionist sentiment.

Whatever the motives behind the investment decisions being taken, the favourite destinations for external investors are clear. The United Kingdom continues to account for around one-third of all inward investment into the EC, although the number of projects underway has fallen back recently.

Significant cross-border real estate investment flows



No other EC nation has so far come anywhere near matching the record of the UK, which now ranks as home for 37 per cent of all non-EC companies operating within the community.

Germany, despite its most recent economic and political problems, is still regarded as an important destination for inward funds but growing numbers of companies now regard the country as an extremely expensive and increasingly uncompetitive base from which to operate.

German companies themselves have been underpinning the perception by transferring away from their own, high cost, country into other parts of Europe.

The main beneficiaries have been the UK, France and Spain. But there is, equally, a perception that Germany is alive to its problems and that it will actively seek to protect the country's position as Europe's economic powerhouse, so maintaining the interest of foreign investors.

France, which has not always had the most positive image for attracting overseas investment, has also been performing better in attracting incomers, not least because of the political priority which the issue has now been given at the highest levels. *See report, page six.*

Belgium, which may have tended to expect its location at the political heart of Europe to stand it in good stead, is widely regarded to have lost out in the competition for inward investment, although it has now started to take the issue seriously. Holland, meanwhile, has pursued a very successful promotion strategy.

Despite its location on the very fringes of the EC, the Republic of Ireland has also continued to attract a sizeable share of available foreign manufacturing investment and, in relation to gross domestic product, has done as well as any other EC member.

Spain, too, has been proving increasingly attractive as investors watch it emerge as an important, open European market with a rapidly improving infrastructure.

Although there are always exceptions, the general patterns on inward investment tend to have matched certain categories of corporate investment with particular EC regions.

While the main investment activity in distribution has tended to be located within a belt which stretches from London, Rotterdam and Antwerp through Luxembourg, Metz and Nancy, European headquarters operations have concentrated on cities like Brussels, London, Geneva and Frankfurt.

Manufacturing activities by inward investors have been very widely spread throughout the community, depending on proximity to the ultimate marketplace for the products concerned.

The UK, Ireland, France and the Benelux countries have been taking the lion's share of available manufacturing investment.

Given the increasing competition within Europe and beyond for whatever investment funds are available, it is clear that only the most aggressive marketing and the most supportive "after-sales" operations at national or regional level can expect to succeed.

While the degree of financial help is important - available EC incentives average around 15 per cent of capital spend by inward investors - it has become clear that investors are equally concerned about the extent to which they can seek guidance and advice after they have made their decision to locate.

Some investors have complained that, while agencies have worked around the clock for months or years to attract companies, they have been left totally to their own devices once operations have started.

According to one location specialist: "Companies can feel very badly let down when they are feted, wined and dined – and then dropped after their arrival.

"Those responsible for encouraging inward investment must remember that investors may have chosen their patch once but that they have the whole of Europe to choose from next time.

"If they wish to maintain their inward investment, they have to build relationships which will last".

More than 3,500 US companies are located in the UK

Britain takes the lion's share

THERE is no argument about which EC member-state has been taking the lion's share of inward investment into the community. Britain has consistently seen off all competitors in the contest to win foreign direct investment.

Despite the political debate which surrounds the inward flow of foreign capital – is Britain's success in this respect a sign of its economic strengths or its exploitable weaknesses? – there can be no disputing its impact on the UK.

Britain's prowess at promoting its "open door" policy is confirmed by the statistics. The country has been taking as much as one third of all inward investment coming into the EC. There are now more than 3,500 US companies located in the UK, with 1,000 German companies and around 200 from Japan. By 1991, the cumulative UK share of all US investment made in the community had reached 36 per cent in value terms. The UK also accounted for nearly 41 per cent by value of all Japanese investment in the EC.

Last year, another 303 inward investment decisions were taken in the UK's favour, likely to involve around 56,000 jobs. In the five years until the end of 1992, 275,000 jobs has been created or safeguarded in Britain by inward investors.

In the manufacturing sector, overseas-owned enterprises investing in the UK now provide 27 per cent of net capital expenditure and 16 per cent of all UK manufacturing jobs.

Britain's attractions to potential investors include flexible working conditions, relatively low labour costs and, for many, a language and business culture which is easily adopted.

Though there have been some fears expressed about Britain's attitude to Europe, most surveys have confirmed that this has not damaged its chances of continuing to win new investment. Indeed, indications that Europe's competitiveness is under threat because of its relatively high social and employment costs could provide a further advantage to the UK as an EC member-state which has refused to sign up to the EC's social programme.

There has also been concern about the quality of investment being made in the UK by foreign companies. The arrival of so-called "screwdriver" assembly plants has not been greeted enthusiastically by critics, who complain of low labour rates and the failure of inward investors to import the type of technology which is badly required.

Supporters of inward investment, however, claim that the beneficial impact far outweighs any disadvantages. The argument is that, far from spawning fresh ranks of "slave labour", new investment creates more jobs, raises the demand for labour and, in turn, pushes up wage rates. In the final analysis, it is a brave critic who will reject the notion that any job is better than none.

A report on the knock-on effects of inward investment, commissioned by the Department of Trade and Industry, suggests that, apart from offering employment and training opportunities and new customers for UK capital equipment, the arrival of foreign companies can bring about significant quality improvements among suppliers and competitors.

At the heart of UK efforts to attract inward investment against a background of global recession and increasing competition from other locations is the Invest in Britain Bureau, part of the Department of Trade and Industry, which has been operating for 16 years.

The IBB, offering a free and confidential service, is the government's main inward investment promotion agency. It is the only body which represents the nation as a whole, as opposed to the numerous regional organisations and local agencies which champion their own areas. The IBB, which has helped more than 2,000 foreign investment projects in the UK, sees itself as the first port of call for any potential investor and the provider of "honest, accurate information", according to Mr Christopher Priston, director.

"We are not here to push companies in one direction, unlike some of our EC competitors. We enable investors to have all the facts and to make the best possible decision for them. To behave any differently would be counter-productive," he adds.

Apart from promoting the general attractions of the UK and providing detailed location information for individual investors, the IBB is charged with co-ordinating the efforts of the other, more localised promotional agencies.

The bureau has an annual budget of £5.5m to fund the English regional development organisations – Wales, Scotland and Northern Ireland are funded directly by the Treasury – and has its own £2m promotional budget.

Mr Priston rejects the notion that the English promotional effort would be better served by the creation of a single agency, as in the other countries which go to make up the UK – "I think we get the best of both worlds. England is a big patch to cover and we have some excellent local agencies, backed up by IBB at national level".

The IBB accepts that it faces a tough challenge in maintaining the UK record. In the year to April 1993, for example, the number of new inward projects confirmed for the UK declined again from the 1990 peak of 350 to 303, largely because of the recession-associated fall in investment activity.

The bureau expects the pattern of inward investment to change, irrespective of the future level of activity.

According to Mr Priston: "The big US companies are already here. There will be some continuing green field investment but we now expect smaller investments from smaller American companies wanting to take advantage of the single market.

"There will be few mega-projects from Japan but a second wave of investment likely to involve supplier and sub-contractor activities. We also expect some joint ventures, a route which the Japanese have not readily chosen in the past."

In response to complaints that inward investors are abandoned to their own fate once they have taken the decision to set up in the UK, the IBB has just started a follow-up programme which will entail visits to 1,000 companies this year. They will be asked if they have any problems and the IBB will endeavour to help if it can.

Michael Cassell

FLANDERS

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Flanders. Star Region in Europe. This is a bold claim, yet one which is made with quiet confidence and backed by an enviable track record.
Flanders has for centuries been a hub of trade and culture, and its patronage of the arts and learning has always been a direct consequence of the wealth generated through commerce and trade with Europe and the world.

A proud past is not enough to survive and continue to prosper in a world of fierce commercial competition, however. Not content to rest on past achievements, the Government of Flanders has introduced a number of financial incentives to encourage more international investment.

Twelve good reasons to invest in Flanders

★ Flanders is located in the heart of the main Western European markets and the EC decision-making centre

★ Excellent infrastructure facilities: Brussels International Airport - Three major, modern seaports - Superb illuminated, toll-free motorways

★ Highest per capita exports in the world

★ At the crossroads of Latin and Germanic cultures, and hence an ideal test market for Europe.

★ Highly diversified industrial base with unlimited sub-contracting opportunities

★ Highly qualified, motivated and productive work force

★ Highest number of quadrilingual speakers in the world

★ One of the lowest inflation rates in Europe and the industrialised world

★ Readily available real-estate at competitive prices

★ Tailor-made incentives offered by the government

★ Ideal research and development environment thanks to exemplary cooperation between the universities and industry.

★ Quality of life

A series of travelling presentations have been scheduled as investment seminars, chaired by the Minister-President of the Government of Flanders, from April to September 1993 to introduce "Flanders. Star Region in Europe" in Utrecht, Birmingham, Boston, San Francisco and Silicon Valley, Taipei, Seoul, Tokyo, Stockholm and Milan (with a specific programme for each city).

For more information on investment opportunities in Flanders or on the seminars themselves, please return the form below duly filled in to the Flanders Investment Office (FIOC Headquarters).

FIOC-Headquarters
Josee Mercken,
Managing Director
Markiesstraat, 1
1000 Brussels, Belgium
Tel. 32-2-507 38 52
32-2-507 38 70
Fax 32-2-507 38 51

FIOC-Asia
Ben De Smit
Arcadia Argos - Bloc A 01-05
235 Arcadia Road
Singapore 1128
Republic of Singapore
Tel. 65-467 64 21
Fax 65-467 70 57

FIOC-USA East
Luc De Brouckere
70, Walnut Street
Wellesney,
MA 02181 - USA
Tel. 1-617-239 82 25
Fax 1-617-239 82 96

FIOC-USA West
Filip Vandenbussche
39, Shearer Drive
Atherton,
CA 94027 - USA
Tel. 1-415-366 66 10
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FIOC-Scandinavia
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900 companies - 15 000 jobs - 5000 acres.

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- Top level education in specialized fields such as telecommunications, computer science, pharmacology, management and finance. Institutions include the ECOLE DES MINES, EURECOM, CERICS, CERAM, EDHEC, ESSI, ETSI and others.

- An established industrial and research environment providing a gateway to Southern Europe with research laboratories such as the CNRS, INRIA, INRA, INSERM, CNET and CERGA.

- An international airport with 28 daily flights to Paris, ten daily flights to London and direct flights to major cities throughout Europe and to New York and Atlanta.

- An international financial network with 58 banks and numerous financial service companies.

- Forty industrial sites throughout the region including ARENAS, NICE LA PLAINE and CARROS in Nice, and sites in CANNES, GRASSE, MENTON and other towns.

- A productive environment in a world-famous location.

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Company _____ Address _____

Mrs., Mr. _____ Tel _____

■ WHERE TO LOCATE

The deciding factors

THERE is no such thing as the perfect business location – "whatever the ultimate decision, it always ends up as a compromise," according to Dr Wilfried Vossen, managing director of Plant Location International.

PLI, part of the Price Waterhouse group, has expanded quickly on the back of the immense complexities facing businesses increasingly forced to consider the best locations within Europe from which to manufacture, distribute and manage, writes Michael Cassell.

According to Dr Vossen, although the science of location has improved beyond recognition in recent years, many mistakes are still being made.

The consequences of getting it wrong can be calamitous,involving crippling financial costs and heavy damage to relationships with local communities and customers.

"Many important decisions are still being decided in head office, thousands of miles away from the action. Remote bosses come up with ideas which are not feasible. The local, Europe-based management can be excellent but the people upstairs are still inclined to think they know better."

Ernst & Young, which has its own location advisory service, also acknowledges that there are many long-held myths about European countries which can often cloud corporate decision-making.

According to "Regions of the New Europe", jointly produced by Ernst & Young and Corporate Location, the corporate investment specialist: "Clichés and stereotypes ebout countries and their customs can blind a corporate manager to a particular area's benefits.

"Governments and regional authorities are increasingly ective in trying to play up their area's attractiveness to corporate investors.

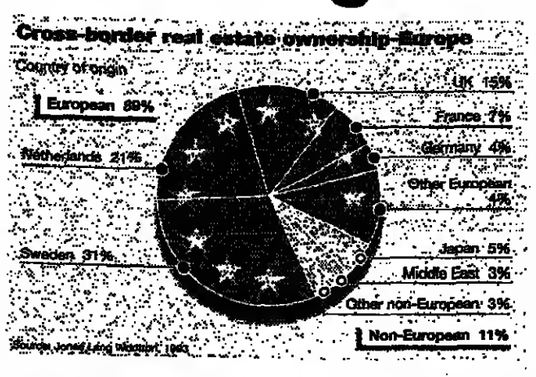
"For those companies seeking to set up a new facility it can be all too confusing as rival locations try to convince you that they are situated at the centre of Europe and are the best location for your business, regardless of activity".

Organisations like PLI and Ernst & Young insist, predictably enough, that no company is likely to have at its fingertips the breadth and depth of information necessary as a precondition of taking a decision on where to locate. Bring in the specialists, they suggest.

But the fact that even the very largest of multinational companies now resort to the help of outside consultants, at least during some stage of the process, suggests that they might have a point.

With giants like Ford Motor, IBM, Hewlett-Packard, Memorex, Mobil, Ricoh, Texas Instruments, Wellcome Foundation and Westinghouse all seeking external advice on the issue, the message is getting home.

Even the Jepanese, who began cautiously by using location specialists to provide limited information to feed into their own decislon-making structure, now increasingly delegate a growing proportion of location work to outside experts.



So what are the common fundamentals which any enterprise will have to consider before making e decision which could involve investment running into many millions of dollars?

Glven thet the company's overall strategy is clear, most experts agree that the single most important factor is market proximity.

Quality of transport infrastructure and information systems can have an impact on market accessibility but crude distances between supplier and end-market matter most.

It may be an obvious point but it is not the only one. The nearest location may well be the most populous and expensive, with high labour costs and skill shortages. Dr Vossen's "compromise" comes into play.

Labour costs themselves rank high up the list of comparative factors. But while the peripheral regions of Europe mey offer the lowest manpower costs, what levels of skill and education come with them?

Productivity remains another key factor, with labour attitudes and performance varying widely across Europe.

So while some former eastern European countries might offer labour rates more usually associated with parts of the Far East and much closer market proximity, poor labour productivity might easily outweigh other advantages.

There is evidence, however, that improved productivity performances cen he "imported" hy the inward investor, who discovers there is little wrong with the available, local labour that more efficient machinery and good working practices cannot significantly improve.

Many other factors also come into play. PLI recently conducted e survey among more than 300 international companies to establish their priorities when choosing locations for various operational functions.

Tbe survey demonstrated that the main priorities for consideration by potential corporate investors centred initially on operating and investment costs, followed by general and then more specific operating conditions in respective locations.

When lt came to more detailed location factors, companies clearly demonstrated the crucial importance to them of good business communications. Respondents repeatedly put telephone, fax and data lines at the top of their shopping list, ranking their availability alongside any of the supposedly more important location factors.

A great deal of emphasis is also placed on the presence of a stable political situation and social climate, low labour costs and reliable power supplies.

Another vital ingredient in any location decision can be the availability or otherwise of investment incentives offered by e range of state and regional bodies.

The packages on offer vary widely, although given the restricted funds available in

Continued on next page

A rating of detailed location factors: what companies are looking for

In a survey of more than 300 international companies, the figures below indicate their priorities when choosing locations for various operational functions. The estimates are averages based on a rating of 0 to 10.

Availability and quality of telephone, fax and data lines	8.48
A stable political situation	7.91
Reasonable level of labour costs	7.68
Reliability of power supply	7.54
Market proximity	7.22
Healthy economic situation	7.15
A stable social climate	7.15
Availability of skilled workers	7.04

Source: Plant Location International

■ LOOKING EAST

Inroads to new markets

Europe's economic centre of gravity is rapidly moving eastward, writes **Anthony Robinson**

AFTER a decade when the inclusion of Spain, Portugal and Greece in the European Community pulled investment southward, the 1990s will be the decade of rapid growth and fundamental structural changes in the former centrally-planned economies of central Europe and beyond.

This eastward shift, and the prospect of decades of rapid economic growth similar to that experienced in most of western Europe during the 20-year post-war reconstruction boom, has profound implications for the future location of management offices and factories.

Berlin, for example, will once again be the capital of united Germany, althongb there are signs of a growing reluctance to accelerate the expensive removal from Bonn. This reflects the unexpected cost and difficulty of re-incorporating the five eastern provinces into the mainstream German economy.

The problems have arisen mainly because of the artificially high wage and nther costs which followed the decision to exchange the East German mark for D-marks at par three years ago, and the drive to equalise wages although east German prodnctivity remains far lower.

Under these circumstances the prospects for long-term economic growth in the region are probably highest in Poland, where wages are low and whose population of 39m ensures the largest single market in the post-communist central and south eastern European region.

This area encompasses 105m potential consumers, if Slovenia, the Baltic states, and the Balkan states of Romania and Bulgaria are included.

Poland will probably have the fastest growing economy in the whole of Europe this year after a 31 per cent decline in industrial production since 1989. The rise in industrial ontpnt exceeded 7 per cent over the first half of the year with labour productivity rising 11-13 per cent.

Hungary and tbe Czecb republic will also resume economic growth this year after e hiccup caused by two years of drought in Hungary and dislocation stemming from their January divorce which has retarded growth in the Czech republic and Slovakia.

Budapest: one of central Europe's most attractive capitals

Throughout the region, the locations which are showing the fastest economic growth and the greatest attraction for foreign investors, are those which are closest to Germany and other European Community markets.

For example, Szceszin, which as the former German city of Stettin, was developed as Berlin's main outlet to the sea, is rapidly developing as a regional centre for the western Baltic. It is attracting investment from Germany and the Scandinavian countries with whom it is linked by fast and frequent roll-on-roll-off ferries.

THE Gdansk-Gdynia port complex is another focus of rapidly lncreasing cross-Baltic trade with good prospects for benefiting from the eventual revival of trade with the Baltic republics and St Petersburg.

But the most important factor likely to affect future location decisions is the speed with which Poland's ambitions motorway hnilding plans are implemented.

Already, the bulk of German investment in Poland has been concentrated in towns like Poznan and Wroclaw. Both are to be found along the axis of the two new east-west motorways which will make Poland a cross-roads of east-west and north-south traffic in the early years of the 21st century.

Longer term, such highways will dramatically improve the economic prospects of towns like Lodz. This depressed textile town, sonth west of Warsaw, will soon find itself at the junction of the main east-west motorway and the north south route from Gdansk to Czechoslovakia and beyond.

Meanwhile the divorce from Slovakia has underlined the westerly location of the Czech repnblic which jnts like a wedge into prosperous Germany and Anstria wbere wages are np to ten times higher than Czech rates.

With its low forelgn debt and long industrial traditions, within a decade the Czech republic will become as closely linked to the German economy as Austria and Switzerland.

Longer term, the core central European economies of the Czech republic, Hungary, Poland, and Slovakia, together witb the former Yngoslav republic of Slovenia will also play e key role in extending the market-orientated, consumer-led transformation of the former communist world further east.

Initially, the experience of economic transformation in central Europe will help speed the development of Romania and Bnlgaria, whose future economic bealth is also linked to the growth of trade and investment in the Black Sea region. Here, Turkey is carving out an important role for itself. Indeed, Istanbul and Ankara are rapidly becoming key locations for tbose interested in developing trade and investment in the oil and resource-rich central Aslan republics of the former Soviet Union.

Strategic investors in central Europe such as ABB, the Swiss-Swedish power engineering company, Siemens and AEG, are planning to use their new Hnngarian, Czech and Polish acquisitions to supply markets further east which were formerly part of the now disbanded Comecon market.

In the case of Yngoslavia, Slovenia will have a particnlarly important role in helping the reconstruction of the war-torn Croatian and Serbian economies.

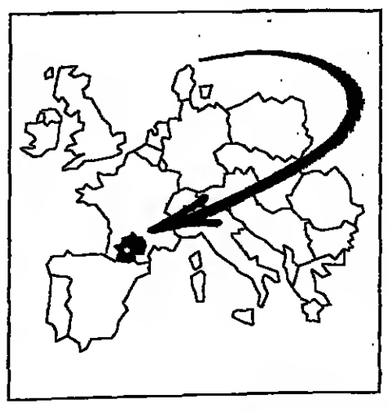
For western companies, this will increase the ettractiveness of Ljnbliana, the Slovene capital. Until now, however, Hungary, which began tinkering with market reforms in the 1960s and enjoys close historical links with Austria, has been the main recipient of inward foreign investment. It has attracted over $5bn of the foreign eqnity investment which has flowed into central Europe over the last four years.

Most of this foreign investment, inclnding the new car and engine plants pnt up by General Motors, Andi/Volkswagen and Suzuki of Japan, has been located either in the Budapest area or inside Hungary's so-called "golden corridor."

This corridor runs westward out of the capital along the main rail and motorway links to the Austrian border, encompassing industrial cities like Gyor and Esztergom.

Bndapest, which straddles the Danube as it passes the wooded Buda hills, vies witb Prague for the title of most beantiful capital ln centrel Europe, and the most expensive. It shares the nniversal regional problem of poor telecommunications. Bnt the telephones are particnlarly bad in Prague, despite the fact that the Czech capital is 200kms further west than Budapest or indeed Vienna. This bandicap will disappear as the projected beavy investment in telecommunications bears fruit.

TOULOUSE MIDI-PYRÉNÉES
HAS A LOT GOING FOR IT



N°1 European Space Centre

N°1 European Aeronautics Centre

N°1 French Electronics Centre (active components, robotics, automatic systems)

N°1 French Data-Processing Centre outside Paris

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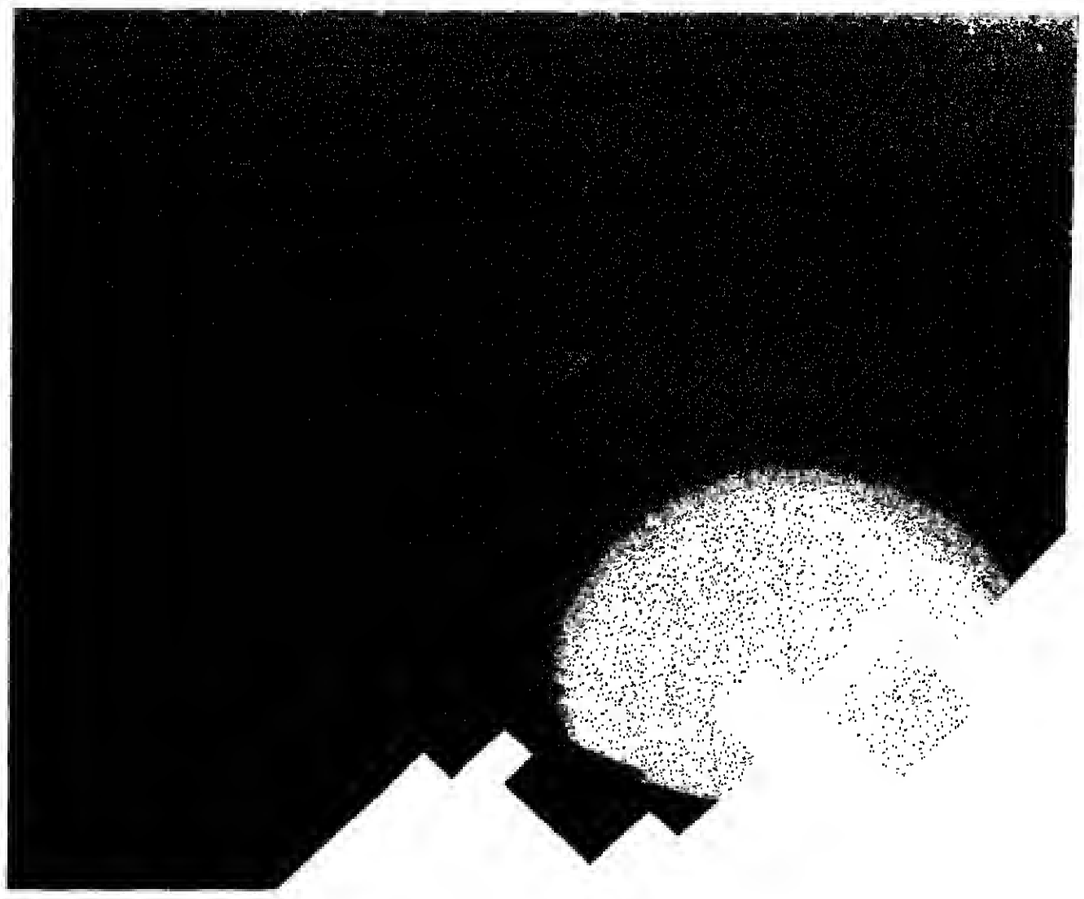
To receive information and advice on Toulouse Midi-Pyrénées please contact Tim Wood, Toulouse Midi-Pyrénées, 30 Earls Court Square, London SW5 9DQ. Tel. 071 370 6939; Fax 071 835 2081.



Pointing east – Business as usual in Bayern.

Many international companies are pointing towards the east – Europe's fast-developing markets.

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Bayern.
The Quality Edge in the New Europe

The Mediterranean region has much to offer investors

Southerly attractions

ON DARK winter mornings in Birmingham or Dusseldorf, how many businessmen wish for something different in terms of office or factory location?

The idea of working in a more agreeable climate must be attractive to company managers when they peer down headlight beams in peak-hour traffic on motorways and autobahns.

Many businessmen would probably prefer to be elsewhere as their cars' wipers clear snow, sleet or drizzle from their windscreens. And where better than the Mediterranean?

But it is not only the climate and the accompanying lifestyle, enhanced by the cultural and historical heritage of Mediterranean countries, that makes them attractive for companies setting up or expanding their activities in Europe.

Mediterranean Europe enjoys a strategic geographical position, looking north towards its own continent, as well as south towards Africa and East towards Asia.

In addition to serving European markets, factories and offices on the Mediterranean's northern side are well placed to cover North and East Africa and the Near and Middle East.

However, climate, lifestyle and geography are not enough on their own.

In taking decisions on where to site facilities, companies must evaluate many other factors: the availability and cost of skilled and unskilled labour, quality of services, infrastructure, administrative structures and regulatory/legislative frameworks, political stability and incentives.

How do Europe'a Mediterranean options measure up?

● **Spain:** A leading beneficiary of inward investment in its manufacturing industry, statistics show that Spain is the world'a fourth largest recipient of direct foreign investment.

Last year's $10.3bn followed $11.6bn in 1991, $12.3bn in 1990 and $6.8bn in 1989. Over this period, Spain received more than twice the foreign direct investment in Italy.

Spain owee its success in attracting foreign business to several factors.

With a population of about 38m, Spain brought a large new market when it entered the EC at the beginning of 1986. Many foreign corporations wanted to be close to sales and have established operations in the country.

The abundant supply of skilled and unskilled labour is an attraction. Over 18 per cent of Spain's workforce was engaged in agriculture in the mid-1980s, offering a pool of labour for factory work.

While the agricultural workforce had fallen to just below 10 per cent of the total last year, the high level of unemployment suggests that supply constraints should not be a problem.

However, Spain's advantage in direct and indirect labour costs has been eroded over recent years, and isbour legislation is not market-orientated.

IF the Spanish labour factor has lost some of its attraction, developments in infrastructure have enhanced the country'a appeal for inward investors. Road and rail networks have been extensively modernised and expanded, and air services improved. Considerable importance has been placed on upgrading telecommunications.

Part of the EC'a relatively less-developed southern rim, Spain offers a significant level of investment incentives.

Only a few areas of the country fail to qualify. Incentives are available from various sources (the state, local authorities and the EC). Some are targeted at specific industries.

Spain's international image received a boost last year when Barcelona hosted the Olympic Games, Madrid held the title of Cultural Capital of Europe and Seville was the location for the Universal Exhibition.

With the coverage given to Barcelona and Sevilla, few businessmen could have been unaware of Spain when listing alternatives for new factories and offices.

● **Italy:** Across the sea from Barcelona, Genoa also put on a major event last year. However, the 500th anniversary of Columbus's discovery of the Americas was overshadowed by political and economic events.

Attendance at Genoa's fair was disappointing. Moreover, investigations after its closure revealed that it had been caught up in Italy'a massive *tangentopoli* ("kickback city") institutionalised corruption scandal.

Tangentopoli, which has seen foreign companies in the magistrates' net, has revealed an almost total absence of corporate ethics.

But this is only one of several factors to discourage potential direct investors from choosing Italy.

The Sicilian Mafia and its Calabrian and Neapolitan cousins is another. Although there seems to have been progress against organised crime this year, memories of the car-bomb assassinations of two leading magistrates last year will take a long time to fade.

Italy'a standing has taken a series of knocks, this summer'a crisis at the Ferruzzi-Montedison Group and the liquidation of the EFIM state-holding corporation providing further examples.

More than a year after the liquidation decision was taken, EFIM'e creditors are still awaiting payment from the state. Also in the queue for government money are businessmen who have invested in assisted areas and have not received promised grants.

The crisis in Italy'e public sector finances means that the state is no longer able to honour its commitments. Officials say that all incentives approved will eventually be paid, but that time is needed.

However, the uncertainty over capital grant payments that has been a festure of Italy's regional davelopment incentives for many years is now joined by uncertainty of tha development framework itself.

Officials say that a new approach will ration and target incentive finance. Companies will have to submit projects to the Ministry of Industry which will rank them on the basis of evaluation criteria.

With the Mezzogiorno (the south) now showing severe cracks in public order, in addition to suffering from organised crime, it is questionable that it will be a strong contender for foreign investment.

Distance from main European markets and public services that creak even more than in the rest of Italy have always been a handicap.

Central and northern Italy will continue to offer interesting locations, being close to markets and enjoying better services. Particularly north of Tuscany, the strengths of tha country'e versatile and flexible labour force are evident, although inflexible labour laws and high labour costs are a severe disincentive. But how Mediterranean is Milan?

● **Greece:** There is no doubt about the Mediterranean character of Athens and other Greek cities, albeit the Levantine flavour is very different from Rome and Barcelona.

Greece is also different in other respects, being more competitive on labour and other costs. The country has a longer membership of the European Community than Spain, having become a full member at the beginning of 1981.

LIKE its Spanish and Italian Community partners, Greece also tries to attract inward investment. Substantial infrastructure projects are underway to encourage this.

Law number 1892, enacted in 1990 by the then newly-elected New Democracy liberal government and ministerial circulars and directives, provide the framework for encouraging investment in industry and tourism. The levels of incentive (grants, tax and accelerated depreciation allowances) depend on the prefectures where the investment is located. However, the whole of Greece is open to foreign investment.

● **Malta:** Located in the centre of the Mediterranean, 100km from Sicily and 300km from the African coast, the small (250 sq km) island of Malta has been making large efforts to attract foreign investment. Measures such as the Industrial Development Act, the Malta International Business Act and the Offshore Trust Act, passed five years ago, are designed to boost foreign business activity in the republic.

The emphasis given to electronics, robotics and pharmaceuticals manufacturing has yielded results. De La Rue, Dowty and SGS-Thomson are among those present. However, Malta also has ambitions to develop as an offshore business and financial centre.

The authorities consider that the combination of suitable legislation, strategic position, good services and infrastructure, and low costs should put Malta on short lists when foreign companies are considering new locations.

● **Balkans:** While the former Yugoslavia has been struck off lists of alternative locations, and seems unlikely to be re-admitted soon, Albania is a different matter.

The government wants to encourage foreign investment, and enacted legislation to this effect in August last year.

A diplomat with close knowledge of Albania says, however, that problems over land tenure are a brake on foreign investment, and so also are Albania's own cash shortages and lack of a banking system.

Foreign exchange operations are usually through street dealers off the main square in Tirana.

Albania is certainly a low cost country and this has attracted Italian businessmen wanting to escape the higher costs at home. However, it offers little at present for leading international corporations. The diplomat says that in a few years "Albania should be a real alternative."

But businessmen will have to wait several decades before Tirana and Durres offer that attractive Mediterranean lifestyle that sets the Birmingham commuter day-dreaming.

David Lane

Malta: the Grand Harbour, Valletta

Cyprus: a key regional distribution centre

Focus on the island republic of Cyprus

Mixing business with pleasure

TRAVELLERS with Cyprus Airways are left with few doubts about how many see the republic's vocation. The current issue of the airline's *Sunjet* in-flight magazine contains five-and-a-half pages of advertising from accountancy firms and several more pages from banks, insurers and business management services, reports David Lane.

This year nearly two million tourists will have enjoyed the sun, sea and sand of Cyprus's resorts, and perhaps discovered some of the island'a other attractions.

Those holidaymakers willing to mix business with pleasure, or looking for entrepreneurial opportunities, are urged by Deloitte & Touche to discover financial Cyprus. And Grant Thornton member Costouris Michaelides tells *Sunjet* readers that "nobody gets closer to offshore clients."

Offshore operations is an important and growing sector of the economy – "last year, the Central Bank issued permits for the registration of 2,039 offshore enterprises, a record number," says George Georgiou, an official with the International Division.

By the end of last year more than 10,000 had been issued, about 4,000 of which were in the past three years.

"Not all the licences are active. But over 1,000 companies have offices, while between 400 and 500 are brass plate operations," adds Mr Georgiou.

Gross foreign exchange revenues from offshore enterprises have doubled during the past five years, reaching CYP95m last year – "this was about 6 per cent of foreign exchange earnings," he adds.

The Turkish invasion and occupation of the northern part of the island in 1974 was a stimulus for turning Cyprus into an international business centre.

The first incentives were introduced in 1975 with enactment of legislation on income tax and exchange controls.

Corporate profits are taxed at 4.25 per cent and expatriate employees working for offshore enterprises enjoy tax privileges.

Pointing to the republic's 19 double taxation treaties, Mr Georgiou emphasises that Cyprus is not a tax haven – "the authorities vet applications carefully. Reporting requirements and administrative procedures are strict, and good corporate conduct is a condition for permit renewal. Scandal-avoidance is the watchword."

Continued on facing page

The crucial factors

Continued from previous page: many countries and regions, success can depend on how well the applicant company argues its case.

In most countries, factors determining the level of grant will include the number of jobs created, the degree of export business generated and the high-tech content of the particular process. Dr Vossen says: "Before an investor gets to an appraisal of incentives, there may be 20 technical chapters and numerous cost-structure considerations to go through. Only then will available incentives enter the equation, though they can certainly prove critical in the final decision-making process."

But the pattern has been changing. Given the recession and the continuing drive to reduce investment costs, potential inward investors are tending to look at the extent of financial help available from outside agencies at a much earlier stage in their calculations.

More than ever, the financial help on offer locally will help decide which parts of the community prosper from the next wave of corporate investment.

How do you pronounce Wallonia? And how come it is big news?

No matter which way you pronounce it, Wallonia spells out good news for manufacturers. In independent reports, the French-speaking region of Belgium came out as one of the most productive regions in Europe. Even better - the US Department of Labor singled it out as having the highest productivity in terms of cost per unit in 1991. Put it down to an excellent social climate and a well-educated workforce, coupled with the active support of local authorities and an enviable position (the German, French and Dutch borders are all within an hour's drive). Wallonia has come a long way in the past few years - and intends to go even further. No matter how you pronounce it.

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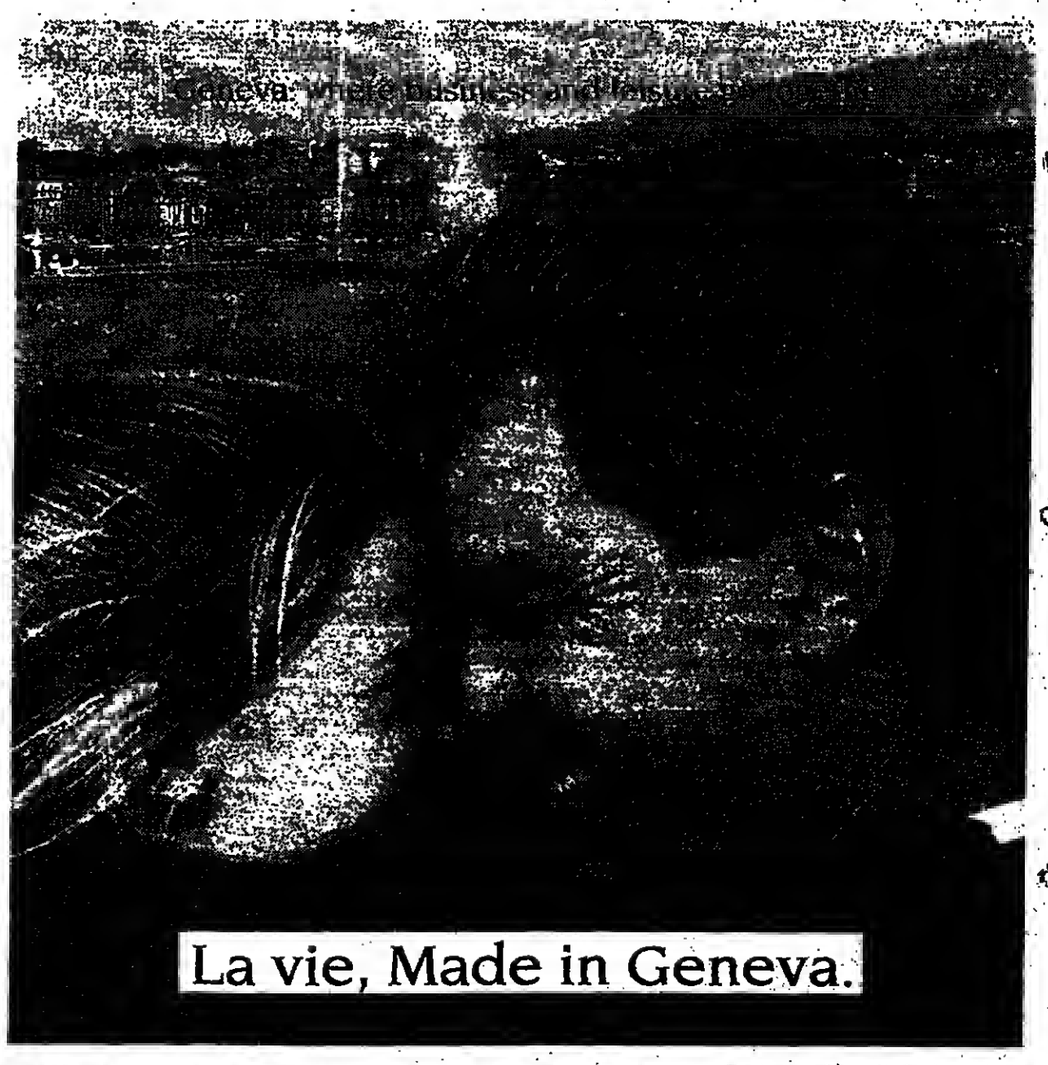

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■ PLANNING A MOVE

Where to go for expert help

Cross-border moves by businesses often run into big problems. Yet good advice on avoiding potential pitfalls is not hard to find: it just depends on investors accepting that they need guidance, reports David Lawson

JOE Lister was sure he knew the man in the Dusseldorf restaurant – which seemed absurd, as he had only flown in from the US that morning.

Another couple of faces at the table also started to look vaguely familiar.

He was too busy negotiating with an agent over the cost of office equipment to investigate further, but the puzzle was solved a few days later in a local bar after a hefty thump on the back and deafening shout.

"They were old Army buddies I had not seen in years," he says. "Like me, they were setting up German outlets and we had all chosen our old stamping ground. We were stationed together nearby in the 1960s".

Every consultant dedicated to preaching the science of location analysis has a similar story to tell: the Japanese entrepreneur who checked potential sites against a map of Europe's top golf courses; the British chairman who insisted on a distribution centre conveniently close to a Riviera marina where his yacht was berthed; and an Italian who rejected several suggested cities because the hotels and shopping did not impress his mistress.

But most of the 200 or more of the leading inward investments to Europe each year are a lot more scientific, according to Stephen Bradley of Plant Location International, a subsidiary of Price Waterhouse.

Around half call in specialists to organise the whole project and the rest usually farm out at least some of the tasks, ranging from acquiring multi-million-dollar buildings to advising on the right car to drive in Spain.

"The worst problem is when a group gets half way through a project and then finds it can't handle it," says John Siraut, of Ernst & Young's European Location Advisory Service.

"Sometimes you have to push them back to square one, questioning whether they are even looking at the right areas."

Big international management groups have been handling cross-border investments for decades but the tempo has accelerated in the last couple of years.

Both PW and E&Y dealt with around 30 or 40 developments each over the last 12 months as companies rush to set up inside the Single Market or find new outlets in eastern Europe.

Other advisers are also treading on their heels for a share of this expanding market, however. Property consultants have built networks of offices around Europe which can be tapped for the cross-border acquisition of sites and premises.

Richard Ellis, for instance, has just developed a master plan for Hewlett-Packard's properties in Milan and bought a new headquarters site for L47bn.

The Corporate Property Group also helps companies moving into the UK by helping choose locations and negotiate with local authorities and arrange finance.

Jones Lang Wootton claims to have broken the traditional link with landlords and developers to act purely in the interests of occupiers – "when a company asks us to recommend a location, we are not looking to buy or sell buildings on our books but to find the best deal," says Andrew Burt, of JLW Corporate Real Estate Services.

They also go further than rents and prices, delving into other factors such as labour costs, housing and schools.

His team is currently drawing up an appraisal of Lisbon, looking at facilities, such as restaurants and hotels.

Another client aiming to set up a software centre wants information on universities which would provide a stream of graduates.

Finance is another significant factor where advisers can prove invaluable. Every European country has an army of official information centres, ranging from individual towns through government development agencies to a network of European Commission offices dedicated to offering the best deal on grants, incentives and loans.

Trying to work out the best deal can be daunting, however – "it can be crucial, for instance, whether you choose to locate on the Swiss side of the Italian border or vice versa," says Mr Bradley.

Grants and incentives are so fiendishly complicated that Price Waterhouse's guide is more than an inch thick and needs updating each two years.

A more immediate source of costs and incentives for each region called Eurosite is held by PLI on a computer database.

INDEPENDENT researchers also feed in a growing body of information. Companies can compare the expense of keeping staff in various locations through indices for every major city compiled by the PE Centre for Management Research.

It also produces and constantly updates guides to salary levels and European personnel policies.

"A successful move often depends on detailed knowledge of non-financial matters such as whether you need to pay maternity benefits in Spain, where to get health care in St Petersburg or how to deal with industrial tribunal procedures in Switzerland," says Anita Saunders of Hamptons Relocation, which will be providing house-price information for the PE cost index this year.

Such legal and cultural quirks are constantly on her mind as she deals with the least predictable factor in cross-border investment - people.

Most of the leading advisers farm-out movement and resettlement of staff to specialists like Hamptons because they just cannot handle the variety of demands, and strong emotions, involved.

Finding the right home, the right schools, perhaps the right golf courses – and simultaneously pleasing a spouse who might not be thrilled about moving – requires endless diplomacy, tact and patience.

You may have to tell an executive that driving a flashy company car is not the done thing in Spain. His wife might need similar persuasion not put too much importance on the marvellous kitchen which attracted her to a Turin apartment; the Italians often take such fittings along when they move.

Many cross-border moves turn into a disaster - and two-thirds of those failures are because businesses choose the wrong location, says Mr Bradley. Yet advice on avoiding the potential pitfalls is not hard to find: it just depends on investors accepting that they need guidance.

Rediscovering your Army buddies or playing on the best golf course in Europe rarely balances out the cost of a false move.

● WORKING TIME REGULATIONS

Country and maximum hours in a working week, with figures on the right to show the maximum overtime allowed:

Austria, 40 hours	60 hours a year
Belgium, 40 hours	65 hours in three months
Denmark: no legislation	no overtime legislation
Finland, 40 hours	20 hours per two-week period
France, 39 hours	130 hours a year
Germany 40 hours	60 hours a year
Greece, 40 hours	150 hours a year
Ireland, 48 hours	240 hours a year
Italy, 40 hours	no overtime legislation
Luxembourg, 40 hours	two hours a day
Netherlands, 48 hours	12 hours a week
Norway, 40 hours	200 hours a year
Portugal, 44 hours	180 hours a year
Spain, 40 hours	80 hours a year
Sweden, 40 hours	200 hours a year
Switzerland, 45-50 hours	360 hours
UK, no legislation	no overtime legislation

Sources: EC and national governments

Base for shipping

Continued from facing page:

What types of business chose Cyprus? General trading, marketing, distribution, regional management and consultancies are high on the list.

Coca Cola, re-locating its Near East offices from Cairo, is an example. Journalists and news agencies whose Cyprus bureaux cover the Near and Middle East, are another.

However, shipping is particularly important. There were nearly 100 ship management and maritime services companies operating in Cyprus at the end of last year, and they accounted for about one fifth of the total of 4,100 staff employed by the Republic's offshore enterprises.

With 1,700 ocean-going vessels (totalling about 23m gross tons registered under the Cypriot flag), Cyprus is near the head of global shipping rankings.

Mr Serghios Serghiou, director of the Department of Merchant Shipping, notes that Cyprus was historically a maritime power. Indeed, its ships are mentioned in the Iliad. However, today's position owes little to tradition.

"When Cyprus became independent in 1960, the government looked for sectors of relative advantage that should be developed, and shipping was identified.

"The republic's first merchant shipping laws were enacted in 1963 and, like subsequent legislation, were modelled on UK laws," says Mr Serghiou.

DEVELOPMENTS at the end of the 1970s underlie Cyprus's rise in the international shipping league. After incidents involving Cypriot-flagged vessels, the authorities acted to strengthen regulation of the shipping sector, Mr Serghiou's Department being established in 1980.

"Our 16 surveyors and maritime offices in Piraeus, London and New York demonstrate the authorities' determination that Cyprus should be a flag of prestige, not of convenience.

"Enhancement of safety standards is an objective. Though operating an open registry, Cypriot regulations aim for best maritime practice in vessels carrying its flag," says Mr Serghiou.

The republic's favourable tax regime is the determining factor for shipowners and for third-party ship management companies. But there are other reasons why Cyprus has been chosen by the shipping industry and by many companies in other sectors.

The island's position at the junction of Europe and Asia, and close to the Suez Canal, gives a strong geographical advantage. Good air connections and excellent telecommunications also draw business.

Competitive rents and costs of labour and services earn points for Cyprus when location decisions are being made. And a population with a high level of education, plus an efficient civil service, have also helped to consolidate Cyprus's popularity as an international business centre.

Though it has been successful in establishing itself as an offshore and shipping centre, Cyprus has difficulty in attracting investment for manufacturing. Restrictions on foreign ownership are a handicap. But there is an exempt Industrial Free Zone in Larnaca for manufacturing for export, and derogations can be made for some inward investment projects – "our need for a more diversified economy and for technological upgrading in manufacturing has been highlighted by the slowdown in growth," says Mr Andreas Charalambous, of the planning bureau.

He mentions that the government established the Institute of Technology last year with the aim of raising the technological content of goods manufactured in the republic.

"We are squeezed between developing and developed countries. We need to shift to higher added value in manufacturing, and to compete on quality rather than cost," says Mr Charalambous.

Like other officials, he underlines the republic's commitment to an open, free market economy.

RELATIONS with the EC, whose members currently take 60 per cent of Cypriot exports and with whom a customs union will be completed by 1997, are a central priority. Cyprus has applied for membership and the Commission gave a generally positive opinion this summer. Meanwhile, the republic's economic indicators outshine many EC states. Growth has been strong, and the current account generally in equilibrium.

Though the budget deficit and debt service ratios are low by EC standards, the government is nevertheless planning to strengthen the fiscal accounts – "this will permit liberalisation of commercial bank lending rates which are currently subject to a 9 per cent ceiling," says Mr Charalambous.

Removing this constraint should help the authorities to check inflation, which has been on a steadily upward trend, albeit still only 6.5 per cent last year.

With per capita GDP of $11,281, Cyprus has a key indicator in-line with EC aspirations. But there are reservations among future EC partners about the political situation.

Since the Turkish invasion, the island has been divided by the 'Green Line,' policed by UN troops. The EC would like a return to normality; however, the division has not been a deterrent to the many foreign businesses that have chosen the island republic. Concerns about security, large or small scale, appear to weigh lightly on businessmen.

Notwithstanding the UN peacekeepers, the social climate is relaxed – and the fact that street crime is not a problem is evidenced by the local practice of leaving cars unlocked.

In a corner of the Mediterranean that has been characterised by conflict, lack of infrastructure and inefficiency, Cyprus offers a haven of tranquillity and functionality.

ECONOMIC INDICATORS

Figures for 1992 (with projections for 1993 in brackets):

- ☐ Real GDP growth: 8.5 per cent; (1.0 per cent).
- ☐ GNP per capita, $11,683; ($11,281).
- ☐ Unemployment rate: 1.8 per cent; (2.5 per cent)
- ☐ Inflation: 6.5 per cent; (5 per cent).
- ☐ Budget deficit (percentage of GDP): 2.2 per cent, both years.
- ☐ Offshore companies maintaining offices in Cyprus: 988; (1,090).

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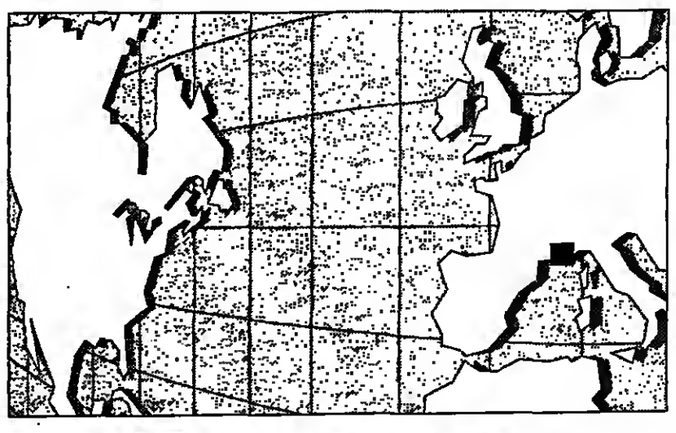

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EVASION / TAXI JAUNE CORPORATE

France: the high price of property deters potential investors, reports **Alice Rawsthorn**

Many advantages – except the cost factor

THE OLIVE grovas of Provence are not the most obvious location for one of Europe's most successful business parks, yet nestling among the hills behind Antibes on the Côte d'Azur is Sophia-Antipolis, e Silicon Valley-style concentration of hundreds of production plants and offices.

Sophia-Antipolis is the sort of business park that governments tend to like best.

It was founded as a science park in 1969 on a rocky patch of the Provencal coast where the quality of the soil was so poor that even the lowliest local farmers disdained it.

The patchy piece of Provence now houses 900 different companies spread across 2,300 hectares.

Most of its occupants are subsidiaries of large multinational groups. Many of the employees are senior executives or skilled technicians who have been brought in from different regions. But the companies at the park have also created thousands of jobs for local residents.

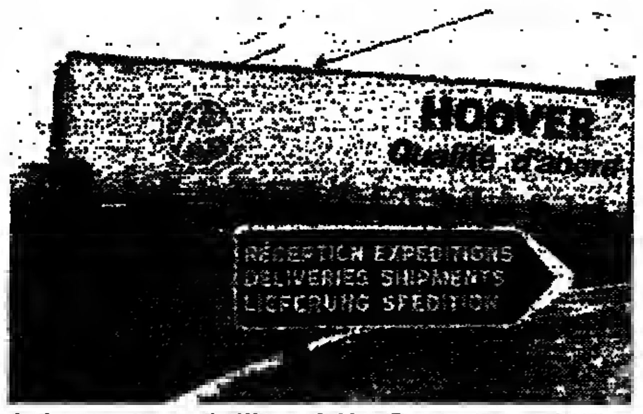
Sophia-Antipolis is an expensive place to operate. The rents are high and each occupant is obliged to respect strict planning controls such as height restrictions and tree replacement.

Yet, even at a time of widespread European recession, there is a waiting list of would-be new occupants and Sophia-Antipolis is now regarded as e role model for business and science parks throughout Europe.

The pros and cons of Sophia-Antipolis as e corporate location are, in many ways, remarkably similar to those of Franca itself. Both offer the advantaga of good logistics and e high standard of living, but are burdened by the disadvantage of comparatively high costs.

One of the main attractions of France to incoming businesses is its position – bang in the middle, between northern and southern Europe.

Only a few years ago it looked as though the expansion of eastern Europe might make more central countries, such as Austria or Germany, more attractiva. But those fears have abated – partly because the challenge of rebuilding eastern Europe has been so much more complicated than expected and partly because the cost of operating in Austria and Germany can be even higher than France itself.



On the move: Hoover, the US household appliances company, cited the high cost of operating in Dijon, eastern France as one of the main reasons for switching production to Scotland. Picture: Gerard Carles/AP

Cordis, e US-owned medical products company, set up a production and distribution centre at Sophia-Antipolis in 1984.

It has operated in Europe for 25 years from its original base in the Netherlands, but decided in the early 1980s that it needed another base which would be more accessible to southern Europe.

The company opted for Sophia-Antipolis, according to Mr Jacques Le Guillerm, chief executive, mainly because it was in a pleasant environment and close to an excellent airport.

Ease of access was also one of the main reasons that Disney, the US entertainmant group, chose France as the location for EuroDisneyland, its extravagant theme park.

EuroDisneyland may have had more than its fair share of financial problems since its launch in spring last year, but Disney has repeatedly defended its choice of northern Paris as the park's location.

"The choice of France as the location is one thing that I'm sure we got absolutely right," said Mr Michael Eisner, Disney chairman.

The high quality of life in France is another factor that tends to tempt companies to choose it as a business location.

Tepar, another occupant of Sophia-Antipolis, is the sort of company that could be based anywhere in Europe.

It is a joint venture between five international oil groups, including Texaco of the US and Elf Aquitaine of France, that operates e pan-European payment card for truck drivers.

The only considerations for Tepar in choosing its location were good communications – its executives need to travel regularly and it needs access to a sophisticated computer system – the availability of multi-lingual staff to staff its truckers' helpline and there is a pleasant environment for its employees.

Mr Carl Clump, its British chief executive, says that southern France satisfied all those criteria. He commutes to his Sophia-Antipolis office from his home in rural Provence.

However, France has a significant disadvantage as e business location: cost. One of the main areas of high expense is property, which is still costly even after the recent fall in Paris property prices. Moreover, French local government is so bureaucratic, particularly in areas such as planning, that any company investing in France has to deal with a barrage of rules and regulations.

THE employment system is also costly and complex. French workers generally get a reasonable deal in terms of pay and employment protection. They have a 39-hour working week and guaranteed minimum wage, the Smic or *salaire minimum de croissance* of FFr5,900 a month. Employers are obliged to make substantial social security contributions for their workers and to observe a relatively low retirement age of 60.

Further, the French trade unions are still comparatively strong - particularly when it comes to defending members' interests. This scenario of high costs and a potentially stroppy workforce undoubtedly deters some companies from investing in the country.

This factor has even persuaded eoma businesses that are already there to switch to less expensive locations. Earlier this year, Hoover, the US household appliances company, cited the cost of operating in France as one of the main reasons for its decision to switch part of the production at its Dijon plant to a factory in Scotland. France's new centre-right government has responded by trying to make the employment system more flexible.

Mr Michel Giraud, employment minister, recently unveiled a package of proposals which included reducing employers' social security contributions for low paid workers, replacing the 39-hour week with a more flexible annual equivalent total and measures to encourage part-time working. It remains to be seen whether Mr Giraud'e measures will succeed.

In the meantime, Sophia-Antipolis shows no sign of suffering – it is now in the throes of doubling in size to try to accommodate its prospective new occupants.

Regional labour costs compared

If the European Community's average figure for labour costs is taken as 100, then the figures for individual regions and countries are as follows:

- Under 80: Spain, Portugal, Greece, Scotland, Northern Ireland; and some parts of the UK, such as the East and West Midlands, Yorkshire and Humberside.
- 80-100: Wales; parts of the north of England, the north-west, south-west, south-east, East Anglia; also Ireland; Austria; most of Italy; in France – most of the south-west, south and eastern regions; Belgium; the northern area of the Netherlands; Canary Islands.
- 100-120: Finland; Sweden; Bavaria; northern Italian regions; Lombardy; Lazio; the western Netherlands.
- 120 and over; parts of northern France – the Paris Basin, Ile De France; also Norway; Switzerland; some west German regions, such as Lower Saxony, North Rhine-Westphalia, Rheinland Palatinate and Baden-Württemburg.

Sources: Ernst & Young; US Dept of Labor; Eurostat

Rubble but not war: a worker picks his way through piles of rubble from buildings once under construction in the centre of Berlin. The former East Germany had planned a shopping complex along the Friedrichstrasse, but investors were unwilling to finish the project after German reunification – and the buildings were torn down. In the background is the restored German Cathedral. Picture: Axel Kull/AP

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THE PREFERRED LOCATION

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■ GERMANY

The allure fades

The cost of employing workers in western Germany looks especially high compared with the cost of labour in the fledgling democracies of eastern Europe, reports David Waller from Frankfurt.

TEN DAYS ago Chancellor Helmut Kohl told the flower of Germany's business and financial establishment, assembled in Frankfurt to watch Mr Hans Tietmeyer being anointed as the new chairman of the Bundesbank, that a "stability-oriented" monetary policy was the best long-term guarantee for German growth and jobs.

In the long-term, low inflation and a stable D-mark may indeed preserve the attractiveness of Standort Deutschland – Germany as a place to do business. But German industry, currently struggling amid the country'e worst recession since the second world war, may be forgiven for judging high short-term interest-rates and a strong D-mark – the direct consequences of the Bundesbank'e stability policy – as factors which diminish rather than enhance Germany's attractions as a business location.

On the very day that Kohl was speaking in Frankfurt, newspapers carried the story of Daimler-Benz's decision to build a factory for its Mercedes-Benz automobile subsidiary in the town of Vance in Alabama in the south-east of the US. Following moves by other German companies to set up manufacturing facilitiee abroad, this came as a graphic reminder of the disadvantages of Germany as a business location.

Taxes are high – taxes and social contribution levies are set to rise to a record 44 per cent of western German GDP by 1995, reflecting the planned introduction of a higher mineral oil tax, higher contributions to pensions insurance, a new solidarity levy, increased wealth tax.

Wages are also high. The reunification of the two Germanies in 1990 brought about a boom for western German companies. Wages were increased as if these *'boomartig'* conditions would carry on for ever: but the special economic circumstances brought about by reunification died away suddenly in the last half of 1993. The world recessionary cycle caught up with a vengeance and GDP for the west of the country will fall by 2.25 per cent this year – the worst recession in Germany's post-war history – "there are not many things to make Germany attractive at present," sums up Mr Joachim Fels, an economist at Goldman, Sachs in Frankfurt. "Geographically the country is at the heart of the European Community and the new markets in eastern Europe. But against this you have to weigh the fact that costs are too high, in particular labour costs.

"German labour used to be highly productive, and the workforce remains highly educated and used to working in a high-tech manufacturing environment. But both direct labour costs and indirect labour costs – such as payroll taxes and social services contributions – are very high. Can productivity keep up with the rise in costs? The answer is no: unit labour costs are too high."

The cost of employing workers in Germany looks especially high when one takes into account the cost of labour in the fledgling democracies of eastern Europe.

The quality of workmanship in Hungary or the former Czechoslovakia may not be up to Germany's fabled levels: but it does come considerably more cheaply. Goldman Sachs calculated in early 1992 it cost an average of DM6,575 to employ a worker in western Germany – compared to DM662 in Hungary, DM401 in the former Czechoslovakia and DM367 in Poland.

TO illustrate what this means in practical terms, KPMG Management Consulting has put together a case study focussing on a proposed £100m project to build new television manufacturing facility. The company is seeking a greenfield site to build e modern factory which will produce 500,000 units a year and employ 1,225 people.

Key criteria for chosing the investment location are costs; access to new growth markets – one of which is the east of germany – together with dependability of production and supply of components and sub-assembly.

Initial calculations show that labour costs for the factory would amount to nearly £45m a year in Germany, £35m in the Netherlands, about £25m a year in the UK and Ireland and about £3m a year in Hungary. Set against this is the distance from the manufacturing site to the companies main markets, weighted by market size. Taking the UK as 100, Hungary rates as 145 whilst Germany and France are at around 95.

KPMG then assigned weightings to these and other criteria – the question of labour costs being five times more important than market proximity and research capability. Hungary emerges as nine times more attractive than the UK, its nearest competitor. Taking the UK as 100, Hungary achieves a score of 450. France and Ireland also score 100. Germany is the least attractive manufacturing location, with a score of about 70.

A short-list of three locations is drawn up: Manchester in the UK; Düsseldorf in Germany and Budapest in Germany. At this stage the assessment of the relative merits of the three possible sites becomes more refined, taking into account qualitative factors such as sub-suppliers, working practices, productivity, health, unionisation, manufacturing'e share of the country'e GDP, as well as proximity to markets and research capability.

It is clear that according to these qualitativa considerations, Hungary is not as attractive as Germany or the UK. But factor in the costs and Germany remains the least attractive of the three: in pure profits terms KPMG calculates that the factory in Düsseldorf would make an annual after-tax return of £5.4m compared to £21.3m in the Manchester and £20.2m in Budapest.

If incentives were not available, the investment in Germany would yield a £7m loss, reduce the UK profits to £9m and barely change the £20m profit to be made in Hungary.

European companies are making calculations such as these every single day of the week. Even allowing for qualitative factors, Germany looks unattractive.

Recognising this, the German government has started to address the issue of German competitiveness, this autumn publishing a paper on securing the future of Germany's economic base. But the process of adjustment will be slow and, in the meantime, companies will chose to build their factories in Manchester or Budapest, rather than Düsseldorf. Or even, go as far afield as Vance, Alabama.

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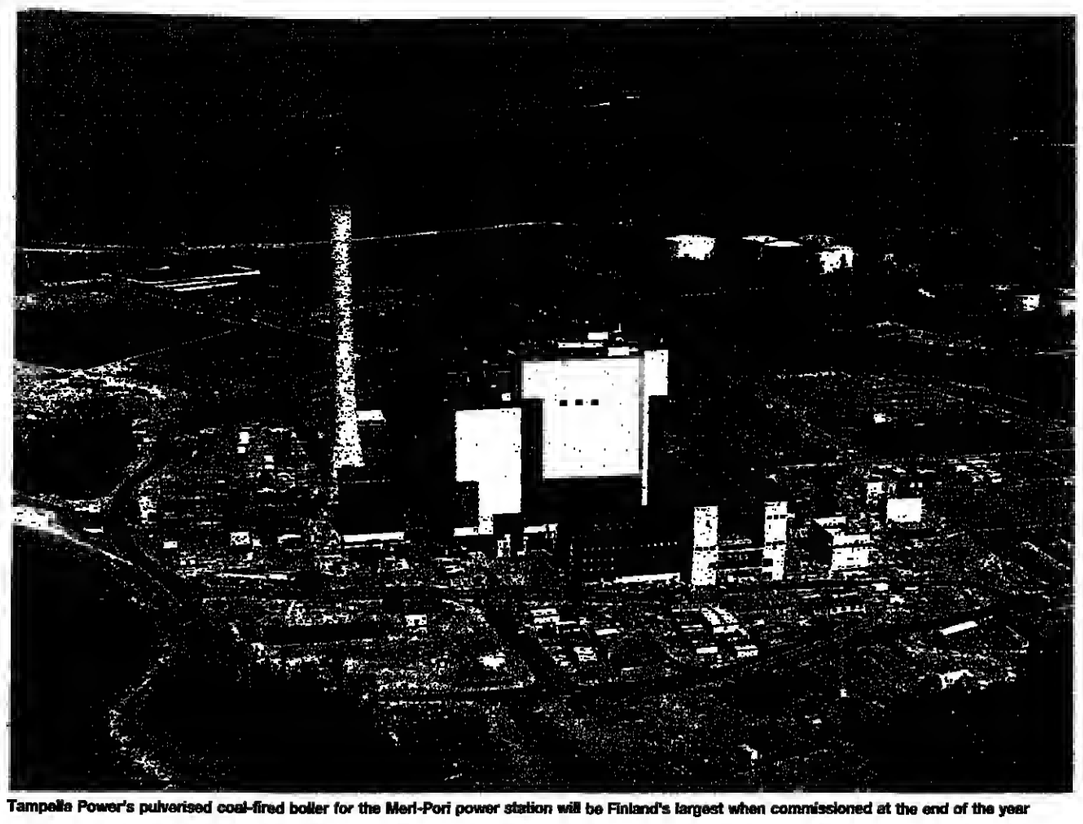
FINANCIAL TIMES SURVEY

FINLAND

Monday October 11 1993



Tampella Power's pulverised coal-fired boiler for the Meri-Pori power station will be Finland's largest when commissioned at the end of the year

A hard slog lies ahead

The economy should return to growth next year after a deep depression, writes **Hugh Carnegy.** But unemployment will stay high for the rest of the decade

Weary after three years of deep recession and wary of what may still occur in neigbbouring Russia, Finland is looking to the year ahead to establish a recovery in the economy and to plot the political path it will follow in the second half of the decade.

Thanks to a resurgence in exports, the economy is set to return to growth in 1994 after a traumatic depression. National output has shrunk by fully 10 per cent since the turn of the decade and unemployment has mounted from below 5 per cent of the workforce to 20 per cent in a country that in the 1980s had become one of Europe's most affluent societies.

On the strategic front, Finns watched – with more anxiety than most – the events unfolding across their long border with Russia last week; they will be hoping that 1994 will see President Boris Yeltsin entrench democratic and economic stability in tha neighbour that has always loomed ominously over Finland's eastern shoulder.

More than that, the governing centre-right coalition of Mr Esko Aho, the prime minister, as well as the Social Democratic opposition, intend that next year will see a successful outcome to Helsinki's negotiations for membership of the European Community, which they regard as an essential economic and political anchor for Finland in the post-cold war world.

The beginning of the year will also bring a change of national leadership. Elections in January for a successor to President Mauno Koivisto will for the first time be held by universal suffrage, adding political weight to the office of head of state. The strong favourite is Mr Martti Ahtisaari, candidate of the Social Democrats and prominent United Nations diplomat, who enthusiastically advocates Finnish membership of the EC.

But although the outlook is brighter, many obstacles remain which suggest that Finland still faces a hard slog to restore the prosperity and confidence it enjoyed in the 1980s.

Already, the government has had to revise downwards its earlier projections of 3 per cent growth next year. The weaker than expected condition of key export markets, particularly Sweden and Germany, and the persistence of low demand and high savings ratios in tha domestic economy have combined to push down official growth estimates for 1994 to around 1 per cent, a level which will barely make a dent on unemployment.

Mr Aho's government is also constrained by a high budget deficit – running at around 10 per cent of gross domestic product – and a concern to rein in a foreign debt which grew rapidly over the past three years to reach 50 per cent of GDP. Progress has been made, with public spending pegged in real terms at 1991 levels and a current account surplus anticipated next year thanks to the recovery in exports.

But the high cost of unemployment payments and the heavy costs of rescuing the loss-ridden banking system from collapse have slowed the process of righting the imbalance in the public finances and squeezed out any possibility of a significant fiscal stimulus for the economy.

"We have a special interest to stimulate the domestic economy," Mr Aho said in an interview with the FT. "But the problem is thet there are very tight limits for stimulation. The main way to stimulate the economy is to push interest rates downwards and keep them down."

Interest rates are at their lowest lavel for decades, steadily reduced since the markka was floated in September last year and quickly lost more than 25 per cent of its valne. But recovery in investment has been slow to appear as companies and private individnals prefer to play down the debts they still carry from the carefree days of the 1980s.

The uncomfortable reality is that, even under the most optimistic projections, unemployment in Finland is set to remain above 10 per cent for the rest of the decade.

Mr Aho's Centre party and his conservative coalition partners see more far-reaching structural reforms as a way to engender more long-term growth. But there is still considerable resistance to the notion of wholesale changes in Finland's highly-developed welfare and social systems. Attempts, for axample, to lower minimum wages for young workers have been largely blocked by the labour unions.

A key element in the government's long-term economic strategy for Finland lias in joining the EC. Helsinki has already signed up to join the European Economic Area, the open market agreement between the Community and the countries of the European Frea Trade Association. But, like the governments in neighbouring Norway and Sweden, Finland wants to advance to full membership to bring the economy fully within the EC fortress, not least to ensure that Finnish investment does not migrate, and to help attract inward investment.

The desire for EC membership extends well beyond the economic argument, however. It is seen in Helsinki as an important strategic repositioning of the country after the end of the cold war.

Throughout the east-west confrontation after the second world war, Finland, which established its independence from Russian rule only in 1917, steered a course of neutrality, which was respected by the US and the Soviet Union alike. Lucrative trade agreements with the latter were the basis for much of Finland's surge to prosperity – and a primary cause of recession when the Soviet Union collapsed.

Now relationships with Russia are less certain. Initial fears of chaos across the border and, perhaps, floods of Russian refugees, have subsided, notwithstanding the dramatic events in Moscow this month. Finland has established strong political and trading ties with the newly-independent Baltic states, particularly Estonia, which lies less than 50 miles away across the Gulf of Finland. In a revitalised Baltic region, it sees St Petersburg, with its 9m population, as a lucrative potential market.

But Helsinki is nevertheless looking to membership of the EC – and participation in the Community's evolving political and security structures – as its strategic anchor in tha new order and an insurance policy against future instability in Russia.

By no means all Finns are enthusiastic about joining the EC, however. Although opinion is more favourable than in Norway and Sweden, polls still show a strong hostile minority. Opposition covers issues from the fear of rural communities that thay will lose generous subsidies, to fears of a loss of Finland's freedom. Opinion divides within political parties, with Mr Aho's Centre party, for example, split on the issue.

"Finns are used to the idea that freedom and independence are one and the same thing and that anything which impinges on independence impinges on their freedom," says Mr Kaakko Iloniemi, director of the Centre for Finnish Business and Policy Studies.

The government has promised a referendum on the issue which will be held sometime late next year if the target of joining in 1995 is to be met. Much will depend on achieving an accession agreement in the negotiations now under way with Brussels thet the government can "sell" to the electorate as a good deal for Finland.

Hence Mr Aho has adopted a tough negotiating stance, demanding EC subsidies for Finland's farmers and calling on the Community to accept the special needs of the Nordic region. "They have to accept, in a way, new policies – a new approach – lika they did when Portugal and Spain joined," says Mr Aho. "Then it was the southern approach. Now it is a question of the northern approach."

The campaign to win support for Finland's EC membership should receive a boost in January when Mr Ahtisaari is expected to win the presidency. He, more than any of his eight opponents for the post, esponses the cause and, indeed, he is a potent symbol of an active Finnish role internationally.

Finnish presidents have tended to play a less active political role than the constitutional powers of the office allow, but Mr Ahtisaari has signalled that be intands to take the lead in foreign policy thet the constitution affords.

His fame is built chiefly on his role as a UN envoy – notably heading the UN's operation overseeing Namibia's transition to independence. His popularity at home has undoubtedly been enhanced by the fact thet he is not associated with the disasters thet have overtaken the country in the past few years. His voice could be vital in cementing opinion in favour of EC membership.

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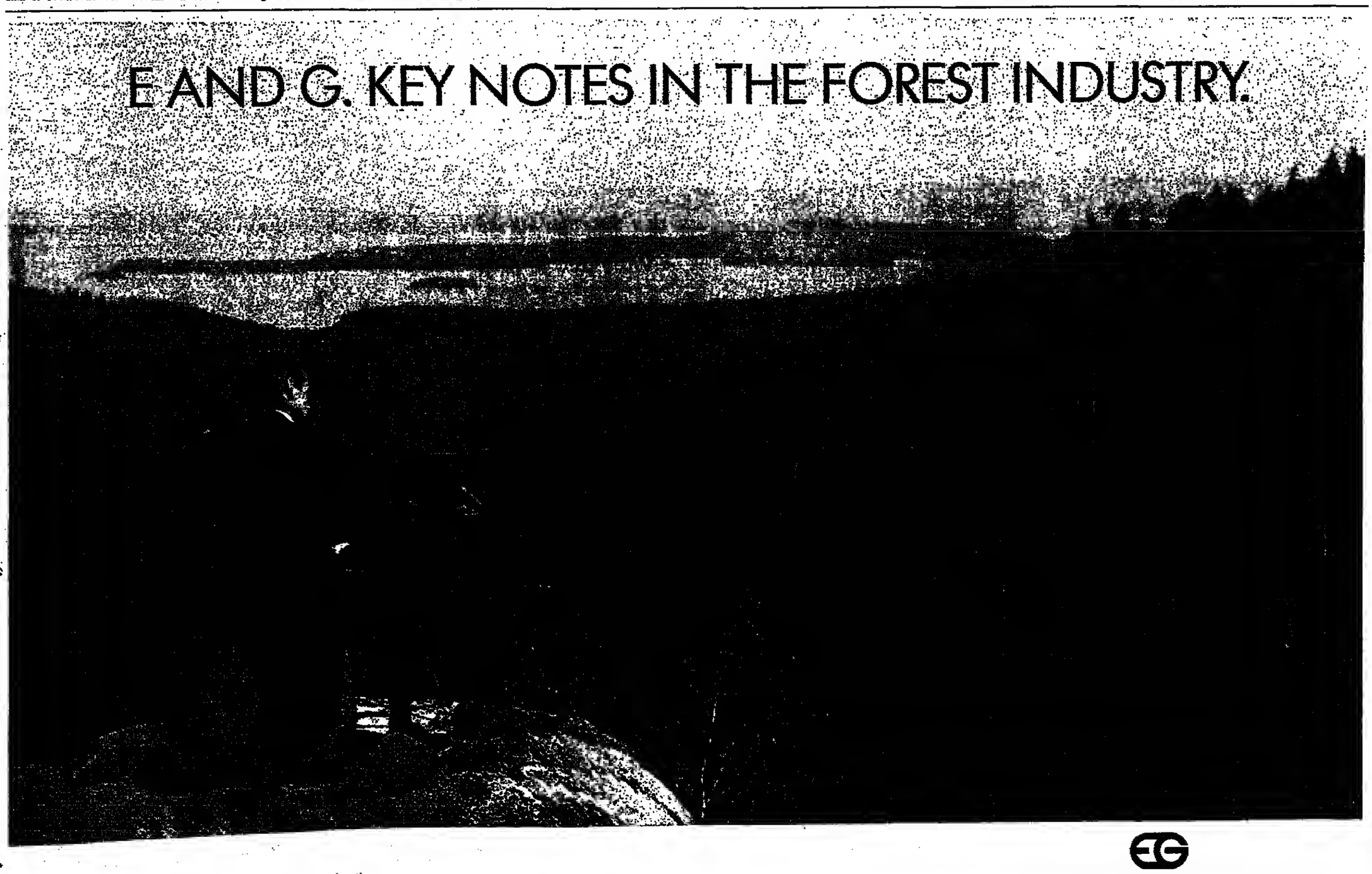
Editorial production
Gabriel Bowman



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The economy is in need of structural reforms, reports **Hugh Carnegy**

Weak recovery is forecast

OVER the past three years, Finland's economy has suffered a juddering recession spectacular even by the recent grim standards of western Europe.

Real output declined by 10 per cent over 1991 and 1992 and at best will be flat in 1993. Unemployment reached 20 per cent in July. The banking sector lurched into losses so severe that the state will spend some FM60bn or more to bail it out. The budget deficit has ballooned to around 10 per cent of gross domestic product and foreign debt has doubled to almost 50 per cent of GDP.

But, at last, there are signs of a respite. "The Finnish economy is not going to continue going down the drain," asserts Mr Sixten Korkman, the chief economist at the finance ministry. "Next year there will be some recovery, even though it will be weak."

Mr Korkman is not letting optimism get the better of him. In fact, his projections of 1 per cent GDP growth in 1994 are more gloomy than last month's OECD report on the Finnish economy, which foresaw growth of 2.1 per cent next year.

But he is confident that a dramatic surge in exports already under way, following a 50 per cent fall in the value of the Finnish markka over the past two years, will drive a return to growth. The current account may move into surplus, easing the foreign debt burden and underpinning low interest rates.

The problem is, as Mr Korkman readily acknowledges, that the domestic economy, which is the only realistic source of significant employment growth, remains stuck deep in recession.

Much of the explanation for this lies in the continued hangover from an exaggerated foreign credit boom in the late 1980s which burst when Finland's mainstay trade with the former Soviet Union disappeared and international recession hit simultaneously.

Suddenly, interest rates – which generous tax allowances had rendered negative in many cases – went up steeply, asset

Gross Domestic Product

At market prices (index 1985=100)

Source: Ministry of Finance

values tumbled and foreign debt soared in markka terms. Savings ratios rocketed and are set to stay high while thousands of individuals and companies unwind their debts.

The result has been a slump in private consumption. Meanwhile, the government has embarked on a spending squeeze to try to control its rising deficits. Overall, domestic demand is set to fall by 5 per cent this year, the third year of shrinkage in succession. The OECD sees a further small decline next year.

"I am quite sure the domestic economy will remain slow even when it turns around," says Dr Sirkka Hämäläinen, governor of the Bank of Finland. "I am sure households will remain very reluctant to take on new debt."

Government policy can be summed up as a mixture of tight fiscal policy and relatively loose monetary policy. Mr Iiro Viinanen, the finance minister, has been adamant that the scale of the deficit leaves no room for expansionary measures in the budget – especially with rising unemployment and the banking crisis adding heavily to government expenditure. The government is sticking to its target of holding down public expenditure in real terms at 1991 levels.

Instead, with inflation at less than 3 per cent, the steep fall in the value of the markka and tumbling interest rates are looked to as the chief sources of economic stimulus.

But here, too, the authorities have been reluctant to go too far. The finance ministry and central bank are now ready to admit that their defence of the markka's link to the exchange rate mechanism of the European Monetary System, which they finally broke by floating the currency in September last year, was misplaced, given the depth of the recession the country was suffering.

Still, there is concern about the level of the markka which has restrained the central bank from letting short-term rates fall below the 6 per cent level at which they currently stand.

"We could not have pushed down interest rates faster," says Dr Hämäläinen. "With hindsight, you might say that if we had floated in 1991 then we could have had lower interest rates. But after we floated the currency last autumn, in practice our freedom to cut interest rates was low because of the high levels of foreign debt both in the public and private sector. In many ways we have been in a trap."

The policy approach of the authorities was largely endorsed by reports on the economy commissioned from three foreign economists earlier this year by the Bank of Finland. All stressed the importance of getting the national finances back into balance. Two – Professor David Currie of the London School of Economics and Professor Christian Bordes from the University of Bordeaux – agreed that, for the time being, controlling the deficit and lowering interest rates was the way forward.

"A tight fiscal stance coupled with a looser monetary stance offers the best prospect of economic recovery, of tackling the twin debt problem of internal and external debt, and of maintaining a competitive level of the markka, boosting exports in a difficult world trading environment," wrote Prof Currie.

The third economist – Mr Hans Tson Söderström of the Stockholm School of Economics – differed by suggesting that unemployment, set to remain above 12 per cent five years hence, was so severe that some loosening of fiscal policy was justified. He said Finland's gross public debt was not excessive by international standards and the country could contemplate a demand stimulus in the form of tax cuts.

However, the clear message from all three economists was that Finland must also undertake difficult structural reforms to underpin a return to sustained long-term growth.

Mr Söderström identified these as including: deregulation and reduced subsidies in the sheltered domestic economy; a shift in public spending from consumption and transfer payments to investment; recapitalisation of the banking system and increased labour market flexibility. "The need to combine demand and supply-side measures and short-term policy action with long-term policy commitments into one comprehensive policy programme poses a serious co-ordination and credibility problem," wrote the Swedish economist.

While there has been a high degree of co-operation between the government and the opposition Social Democrats in parliament over fiscal policy recently, there is no doubt that structural reforms raise much greater difficulties. Already the powerful trade union organisations have curbed government efforts to lower minimum wage levels. Privatisation has yet to get seriously under way.

But among policymakers there is a growing realisation that changes are necessary. Mr Viinanen, the finance minister, recently described Finland's extremely high levels of unemployment benefits as "a cancer" on the economy. Some 60,000 jobs in the public sector have been axed in recent years.

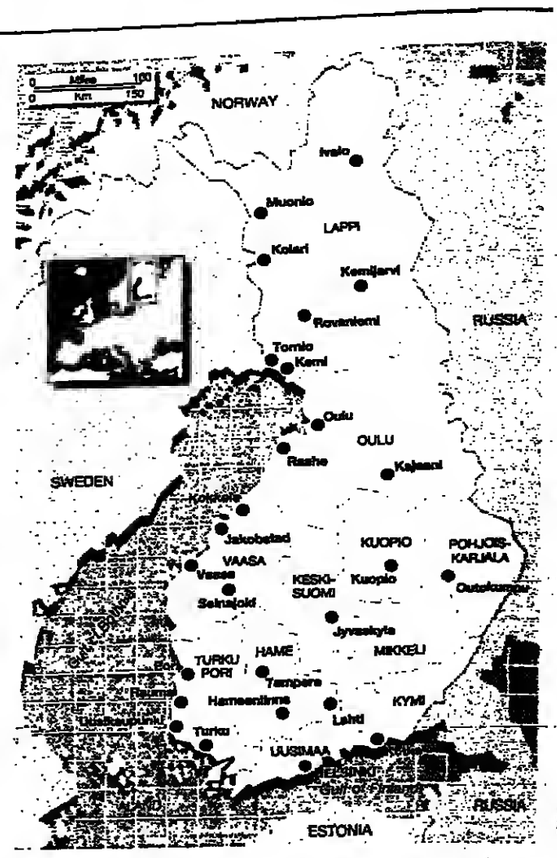
"There is still a long way to go on labour market reforms," says Mr Korkman. "But I think there have been many profound changes in the public sector. Ministries are really cutting expenditure and improving efficiency – even though the result is to increase unemployment. The mental attitude has changed."

KEY FACTS

Area ..... 304,593 sq km
Population 5.03m
Prime minister ..... Esko Aho
Currency ..... Finnish markka
Average exchange rate ..... 1991: $1=4.0440 1992: $1=4.4794

ECONOMY	1991	1992
Total GDP ($bn)	124.5	109.6
Real GDP growth (%)	-6.4	-0.3
Components of GDP (%)		
Private consumption	21.7	25.9
Total investment	23.9	24.9
Government consumption	21.6	16.6
Exports	55.1	55.3
Imports	-22.3	-24.7
Annual average % growth in		
Consumer prices	4.3	2.9
Wages: hourly earnings	6.1	2.6
Ind. production	-9.6	2.3
Ind. employment	-9.6	-9.9
Retail sales volume	-19.4	-19.4
Narrow money	-8.3	3.9
Broad money	6.5	0.2
Unemployment rate (%)*	10.5	15.4
Reserves minus gold ($bn)*	7.6	5.2
Discount rate (%)*	8.5	9.5
FT-A share price index (%)*	-13.7	12.6
Current account balance ($m)	-6,695	-5,104
Exports ($m)	22,516	23,554
Imports ($m)	20,195	19,703
Trade balance ($m)	2,321	3,851
Main trading partners (%)²	Exports	Imports
US	6.0	6.1
Germany	15.6	16.9
France	6.7	4.6
UK	10.7	8.6
USSR (former)	4.2	8.0
Efta	19.6	20.0
EC	53.2	47.2

* At year end. (1) Annual % increase at year end in FT-A share price index. (2) Percentage trade shares in 1991. Sources: IMF, Datastream



■ POLITICS

UN envoy may be president

DURING THE chilly depths of their long, dark winter, Finns will vote next January for a new president whom they hope will preside over the country's emergence from three years of national gloom.

All the signs are that they will choose Mr Martti Ahtisaari, who comes from outside the political mainstream and whose election would mark a break from the rather stultified ways of the past and an attempt to seek a new path after the economic and political traumas of the early 1990s.

Mr Ahtisaari is a diplomat whose most striking accomplishments have been as a United Nations envoy, notably as the head of the operation overseeing Namibia's transition to independence. Even as the campaign for the January 16 election warms up at home, he has stayed away, intending to remain in his senior role in the UN's peacemaking efforts in former Yugoslavia until December.

In other circumstances, that would seem an inauspicious background for launching into domestic politics. But such is the level of disaffection with the old guard that Mr Ahtisaari has consistently been streets ahead in the polls. His burly physical presence and bluff "folksy" approach – he is from the rural north – have enhanced his popularity. But above all, he is a fresh face.

"Ahtisaari has one big thing working for him," says Mr Jaakko Iloniemi, head of EVA – the Centre for Finnish Business and Policy Studies. "He is not a political figure. In the eyes of the nation he has no responsibility for the mess we are in."

Mr Ahtisaari's main policy platform is a clear advocacy of Finland's application to join the European Community – an issue which has split the country but so far does not seem to have damaged his popularity. He does represent a political party – the main opposition Social Democrats. But it was the potency of his non-party image that prompted the Social Democrats to choose him over Mr Kalevi Sorsa, the former prime minister, in a primary election in May.

Altogether, there are nine candidates vying for the presidency, but only two form a real threat to Mr Ahtisaari. One, Mr Raimo Ilaskivi, of the conservative National Coalition party, is a former mayor of Helsinki who defeated Mr Pertti Salolainen, his party's leader, for the candidacy and is also running on an anti-political ticket. Mr Paavo Väyrynen, until recently foreign minister, is the candidate of Mr Esko Aho's Centre party and is an experienced campaigner.

These two will put up a tough fight, attacking Mr Ahtisaari for his lack of experience in domestic affairs. But Mr Ilaskivi, at least, admits that the split in the anti-Ahtisaari vote means the only chance to defeat him is to deny him a simple majority and force a run-off vote in February. "Ahtisaari will win on January 16. The question is whether he wins outright the first time," he says.

The new president will take over at a time of flux in Finnish political life. The presidential election itself will be held for the first time by popular vote, rather than by electoral college, a reform which helped both Mr Ahtisaari and Mr Ilaskivi achieve their primary victories against opponents of their respective party establishments.

Martti Ahtisaari: a break with the past?

The direct election of the president seems bound to increase the political authority of the head of state, who already enjoys considerable constitutional powers, such as the power to dissolve parliament, appoint ministers, delay legislation and preside over foreign policy.

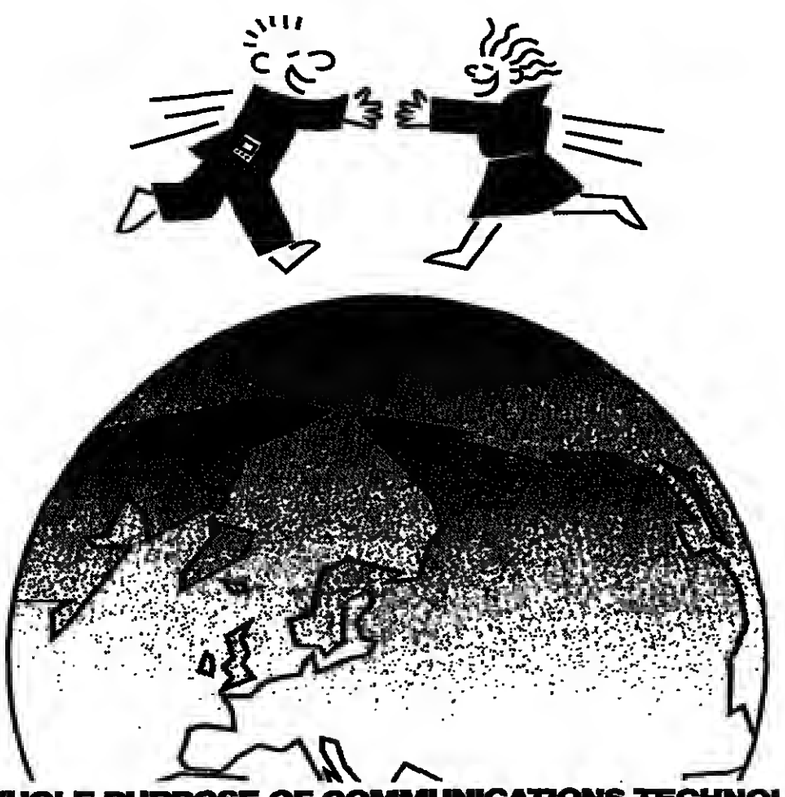
The three main candidates have all signalled an intention to be more active than the Social Democratic incumbent, President Manno Koivisto, whose reticence has attracted criticism, particularly during the days of deepest economic crisis in late 1992.

However, Mr Aho's centre-right government wants to push legislation through parliament to curb some of the powers of the presidency as a balancing measure to the introduction of direct election. Mr Ahtisaari has not objected to such a move in principle, so long as the president's role in foreign policy is not diminished.

While the constitutional balance between the presidency and parliament is changing, there are also shifts going on within the parliamentary sphere. The Social Democrats, under Mr Ulf Sundqvist, have largely gone along with the tough fiscal policies of Mr Aho's coalition, recognising that public spending has to be controlled to get a grip on the budget deficit and foreign debt.

At a deeper level, parliamentary parties must also come to terms with shifting attitudes among voters. According to an EVA survey, the response to the collapse of old certainties has been to turn away from left-right issues and to focus instead on "traditional" values, with the emphasis on the family, social justice and environmental issues. "This means that there is a desire to bring sheer party politics down from its pedestal – to make it a servant of the electorate, rather than the master it has always aspired to be," EVA commented on the survey.

Hugh Carnegy



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Half a million are without work, reports **Christopher Brown-Humes**

Cold comfort for the jobless

SITTING IN his fifth floor office high above Helsinki's central Esplanade, Mr Ilkka Kanerva, Finland's youthful Minister of Labour, offers no quick solutions to the country's unemployment crisis, which has left one in five workers out of a job after three years of deep recession.

Indeed, he expects the underlying trend to carry on rising for another year, in spite of the country's recent export success. He believes the rate may not start to fall noticeably for 18 months.

"If at the end of the current parliamentary period in two years' time, unemployment is down to 15 per cent, it will be a good achievement," he says.

Finland now has Europe's second highest unemployment rate, with 500,000 people out of a job, but probably nowhere has the total climbed so quickly in such a short period. Only three years ago, the country boasted one of Europe's stronger economies and unemployment was just 4 per cent.

The jobless problem has brought remarkably little social tension, and so far at least, many families have been protected from severe hardship by the country's generous welfare system which guarantees good rates of benefit during the first 500 working days that an individual is out of work.

Worldwide recession, the sharp slump in the domestic market and the collapse of trade with the former Soviet Union have all contributed to the sharp acceleration in the unemployment rate. The worst hit sector, as elsewhere in the Nordic region, has been construction, although there has been widespread rationalisation throughout the manufacturing industry. The good news is that unemployment has probably reached its peak in the metal and engineering sectors, but a far higher level of redundancies in the public sector can be expected over the next 12 months.

Unemployment is undoubtedly Finland's main economic problem, alongside its budget deficit and rising foreign debt. And therein lies the main constraint: the government simply does not have the financial resources to stimulate the economy through major infrastructure and investment programmes and it is worried that any sign of fiscal relaxation could further weaken the markka and damage its inflation and interest rate goals. Instead, it is hoping that unemployment will gradually start to come down as part of a broader export-led economic recovery, assisted by the fall in interest rates which are at their lowest level for more than a decade.

The budgetary constraints mean that the type of FM10bn stimulation package being proposed by the opposition Social Democrats has little chance of becoming reality. Big infrastructure projects are out for the same reason.

That is not to say that nothing is being done. However, the effort is reactive more than proactive and is centred on training and education programmes. Mr Kanerva says that around 250,000 people a year can be offered some form of training, but he accepts that this will have little impact on long-term unemployment, which is set to reach 200,000 people by the end of next year.

The broader government effort has been to overhaul the labour market and introduce greater flexibility into the wage bargaining process. The need for such flexibility is a theme which has been repeatedly emphasised by the OECD and it was taken up again by the organisation in its latest report on Finland, published last month. "The present centralised bargaining framework – within which the government has, in the past, tended to facilitate wage negotiations by offering expensive fiscal concessions – now appears incompatible with the general thrust of government policy based on budget consolidation," the OECD stated.

But government efforts to overhaul labour market structures have yet to show much success. In the spring, it encountered fierce union opposition, including the threat of a general strike, when it tried to introduce a package of reforms, including a scheme allowing employers to take on jobless youths for 30 per cent less than the minimum wage. The measure was eventually implemented, after agreement with the unions, but in a way which has meant it has had little practical impact.

Mr Kanerva concedes that the government's approach might have been heavy-handed, but he insists that the fight for reform will continue. "The tactic now will be step by step, rather than grand slam," he states.

One scheme he wishes to implement would compel employees to operate a more flexible working schedule, although it would not increase the total number of hours they worked annually.

SAK, the blue collar union, says it is prepared to compromise, but only as part of a broader package which tackles unemployment. It believes the government could afford to expand public spending in the short term if agreement on medium-term cuts in public spending could be reached as part of a social pact. It has already identified a number of infrastructure investments which it says could be funded in this way.

The union says it is ready to discuss wage rises in the context of job security, investment and training, implicitly linking the question of wage restraint to job creation.

The main frustration for the union is apparent government unwillingness to open a dialogue. Mr Kanerva admits that relations are strained, but says this is because the unions have traditionally been aligned with the opposition Social Democrats, rather than with the centre-right parties which are currently in power.

■ INTERVIEW WITH THE PRIME MINISTER

Chance of growth again

MR ESKO AHO, at 39 one of Europe's youngest leaders, has had to steer Finland through a traumatic recession since becoming prime minister in 1991. Active in the rurally-based Centre party since the 1970s, Mr Aho entered parliament in 1983 and became party leader in 1990. He has been criticised for not being tough enough and his future inevitably rests on the fortunes of the economy. He discusses its prospects with **Hugh Carnegy**

Esko Aho: expects balance of payments surplus next year *Ashley Ashwood*

WHAT light do you see in the tunnel now for the economy?

We have made major structural changes. Throughout the 1980s our exports and industrial output went down, relative to gross domestic product. Finland was only able to preserve its high standard of living by borrowing money from abroad. When my government took over we had to do something about this structural problem. Since then, the share of exports relative to GDP – it was close to 20 per cent in 1991 – has risen to about 33 per cent this year and next year it could be as high as 38 per cent.

Also, as far as industrial production is concerned, we have had major changes. That is the reason why I think we have a good chance to return to growth again. Our net foreign debt stands at the equivalent of more than 50 per cent of GDP, but because of that export growth it is going to start to go downwards and next year we expect the balance of payments is going to be in surplus. These are preconditions for solving our other problems.

These changes have made possible the recent fall in interest rates, which are now low enough for new investments. This creates possibilities for solving domestic problems and getting some effect also on high unemployment, which is our major political problem.

How soon do you anticipate that there will be this pick-up in the domestic economy and what more can you do to encourage it?

We have a special interest to stimulate the domestic economy. But the problem is that there are very tight limits for stimulation. We cannot use higher public indebtedness because it will lead to an even worse situation. That is why the main way to stimulate the economy is to push interest rates downwards and to keep them down. I believe that we have the possibility to succeed in that. It depends on domestic decisions – on budget policy, fiscal policy and labour market agreements. Another factor having an impact on that is the European trend and we expect that in the longer term European interest rates are going down.

Is there not more you could do, for example some lowering of Finland's very high tax regime?

As far as taxes are concerned, the problem is that the deficit in governmental expenditures is very high and we cannot cope with a higher deficit. If we are able to get (wage agreements) which are reasonable in this situation, it would create some possibility to use taxation to stimulate demand, but this margin is not very large. We have also some opportunities to concentrate resources in our budget on new investments.

When do you expect unemployment, now around 20 per cent, to peak?

It is very difficult to make forecasts because we have not seen this kind of situation before. Simultaneously we have structural problems, with branches like the banking and public sectors having to lay people off, and this depression. But I have the feeling that later this year or at least next year, unemployment will be lower.

One of the problems you have run into has been resistance to labour market reforms, such as lowering minimum wage levels for young employees. How difficult is this issue?

I have to say that in Finland labour market organisations are very well developed with the kind of agreements which make our labour market very rigid. Our intention has been to lower the threshold for the employment of new people, but we have noticed that labour market organisations, especially the labour unions, have been very much against these kind of changes because they fear they will give companies too much power against unions. I think that is a big mistake because the only way to have a positive effect on unemployment is to make these structures more flexible.

We made some agreements last May which made it possible to have some more flexibility in employing young people, but they were not major structural changes. We have not succeeded in that.

Would you also like to go further in reducing Finland's extensive and expensive welfare system?

We have undertaken several big savings programmes to reach the goal of zero real growth in public expenditure from 1991 to 1995. At the present time we are achieving this target. The problem is that we have some extra costs, especially in the banking sector. We have not been able to cover these costs by savings because, if we had tried that, the downward curve in the economy would have intensified. But the cuts we have made have been very painful, politically.

People often remark that Finns have been very tolerant of the recession. There has not been any significant social unrest, despite 20 per cent unemployment. Do you sense that this public understanding of the crisis persists?

I have to say that despite many difficulties in realising our programmes – from the political opposition and labour market organisations – today the public discussion is much more reasonable than it has been. The atmosphere in the country is calm – I think most people understand what the situation requires better than was the case in 1991.

In 1991 Finland and our population did not know where we were and where we were trying to go. Today I feel that the main goals of economic policy have been accepted more generally than before.

■ FOREIGN POLICY

The European anchor may give security

"IF WE are not in Europe, we are in Russia" is how one Helsinki taxi driver justifies his support for Finnish membership of the European Community.

The view may be a little extreme, but it helps to explain why Finns have proved to be more enthusiastic about joining the EC than either of their Nordic neighbours, Norway and Sweden.

Western Europe is seen as an anchor for Finland at a time when the certainties of the cold war have been lost and traditional concepts of neutrality no longer carry their former weight. The feeling has been heightened by the upheaval which continues to afflict the country's giant eastern neighbour, Russia.

In other words, security questions as well as economic issues are weighing on the minds of the Finns when they consider the EC. By contrast with Sweden and Norway, opinion polls have consistently shown a majority of the population to be in favour of EC membership, although sometimes the margin has been very narrow. An August poll, conducted by the Taloustutkimus organisation, indicated 49 per cent were pro-EC, compared with 35 per cent against.

Negotiations on membership began in February, but the toughest phase of the talks will come this autumn when the most difficult questions are discussed. It is already clear that agricultural and regional matters will be the biggest stumbling blocks, although there is also concern about moves within the EC to limit the influence of smaller EC member states in decision-making.

It may seem surprising that agriculture has become so sensitive an issue, as farming employs only 8 per cent of the Finnish population and contributes only 4-5 per cent to GDP.

But farming's importance is psychological as well as economic in a land where the countryside is regarded as an essential part of the national identity and cultural heritage. As recently as 1960, 36 per cent of the workforce was employed on farms.

The issue also has particular importance for Finland's Centre party, the dominant coalition partner, as it traditionally draws its support from rural areas. Opinion polls have shown that Finnish farmers are more implacably opposed to EC membership than any other section of society. The Centre itself is split, with its leaders in favour of the EC and the rank and file against it.

Heikki Haavisto: from farming to the foreign ministry

The need to win over the party membership may explain why Mr Heikki Haavisto, president of the influential Central Union of Agricultural Producers and a renowned EC sceptic, was appointed as foreign minister in May when Mr Paavo Väyrynen stepped down from the position to promote his candidacy for the presidency. If nothing else, the appointment sent a clear signal to Brussels about the importance Finland attaches to the agricultural issue.

In essence, Finland wants hefty EC subsidies – worth about FM3.5bn a year – in recognition of the special geographical and climatic conditions facing its farmers in such a northerly location. "Our natural circumstances are very different to those of any country already in the EC," states Mr Haavisto.

In particular, he draws attention to Finland's short growing season – even in southern Finland it is only 170 days compared with 230 in northern Germany – as well as to the small average size of the country's farms and the distances to market, which are often huge.

> If Finland can get an agreement on agriculture, it looks very much as if all other aspects of its membership application will fall into place

But he also makes it clear that agriculture has related regional and security aspects. The fear is that if farmers are put out of business, whole areas of the country will become depopulated, a particularly sensitive topic in the context of Finland's 1,300km long border with Russia.

If Finland can get an agreement on agriculture, it looks very much as if all other aspects of its membership application will fall into place. The country has accepted the Maastricht treaty, and it has not made an issue out of neutrality. For the moment, it wants to remain militarily non-aligned, with an independent defence, but it has not ruled any options, including membership of the Western European Union, in the future.

The country is also displaying a more relaxed attitude than either Norway or Sweden on some other controversial questions, such as alcohol policy.

Mr Haavisto's appointment as foreign minister was certainly not universally welcomed, as he was thought to be too closely tied to the farming lobby. However, his critics say that on the evidence of his first five months in office he genuinely wants to achieve a negotiating result which will enable Finland to join.

It is hard to predict what will happen if Mr Haavisto eventually decides he cannot recommend the membership package which Finland is offered. The likely answer is that it will provoke a government crisis, forcing the Centre party out of the coalition.

In any case, it is difficult to see agriculture being the decisive issue. Dr Max Jacobson, a former diplomat, says it is "inconceivable" that Finland will reject membership just because the farmers oppose it. "A majority will still be in favour of joining," he claims. A bigger danger could be developments in the Community itself if these create a negative impression in the minds of the Finnish electorate.

The timetable is certainly tight. If Finland is to join the Community on schedule on January 1 1995, negotiations must be completed by next April. A non-binding referendum will then be held around next September.

That is likely to make Finland the first of the three Nordic states to vote on the issue, so a Yes vote will be important not simply for Finland but for pro-EC campaigners in both Sweden and Norway, who believe it will provide a wider momentum for their own EC membership ambitions.

Christopher Brown-Humes

RENEWABLE

The Finnish forest is a renewable and natural resource. A unique regeneration programme ensures that 300 million saplings are planted every year to ensure the continuous growth of this precious asset, which covers two thirds of Finland's total land surface area.

Only indigenous species are used, helping to preserve Finland's natural biodiversity. In the forest – most of which are privately owned by family foresters – selective thinnings and regeneration cuttings are prevailing forestry practices which add to the creation of a healthier and more natural forest.

RECYCLABLE

The Finnish forest industry does not oppose recycling. Indeed in Finland alone, the recovery rate is high by international standards – more than half of the recoverable material is collected to be used again. And across Europe, forestry and recycling work hand in hand.

Paper and board does not last forever – in practice, fibres can only be recycled three to five times. So a continuous supply of primary fibre products is necessary to keep the cycle in motion. It is of paramount importance to ensure that this primary material comes from a reliable source.

RESPONSIBLE

The aim of the Finnish forest industry is to safeguard the renewal of Finnish forests through successive natural regeneration and active planting. Increased recycling and the continual development of manufacturing technologies which aim to control emissions and reduce energy consumption, are at the top of the industry's list of priorities along with the enormous investments made each year to further environmental protection.

Forestry is part of Finnish heritage and the Finnish forest industry can truly be trusted as the guardians of one of the planet's most valuable natural resources.

The Finnish Forest Industries Federation hopes to bring the issues that surround the forest industry into the limelight for discussion.

As part of its efforts, the association will host a national seminar in London on 1st December 1993. For further information on this and the Finnish Forest Industries Federation, please contact our UK Information Office at 54 Poland Street, London W1V 3DF.

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■ FORESTRY

Pulp, paper industry turns corner

AFTER TWO years of heavy losses, Finnish pulp and paper companies have turned the corner. Some groups will remain in the red in 1993, but enough of them will be profitable to give the industry as a whole a break-even result. This represents a considerable improvement on last year's combined loss of FM4.2bn, and 1991's FM5.2bn deficit.

Whatever help the industry has had, it has not come from the market. Hopes that prices would turn decisively this year have been badly disappointed, and expectations for next year are already being toned down, particularly as far as the key west European market is concerned.

Instead, the Finns have had to rely on their own efforts and a hefty 30 per cent devaluation of the markka to ride out the storm. All the major companies have rationalised heavily, cutting staff numbers by up to 30 per cent, and they have conceded little in the way of wage rises in the last two years. Added to this has been a 32 per cent fall in wood prices since 1991, which has lowered the raw material costs of the pulp mills significantly.

The depreciation of the markka has also helped, but it has not proved as big a benefit as originally hoped. Buyers have also wanted their cut from devaluation's benefits, forcing prices down still further. For some products, such as sawn goods and fine papers, markka prices today are virtually the same as they were a year ago.

The collapse in the market, particularly for pulp and fine papers, is the principal reason why the Finnish forestry industry will manage only to break even rather than make a profit this year.

The other factor is the high debt load which the major Finnish groups continue to carry following their hefty investment programmes in the late 1980s and early 1990s. Combined debts at FM70bn are as big as turnover, and since more than 60 per cent of them are denominated in foreign currencies, they have risen sharply because of the weaker markka. In 1991 and 1992 around half of the industry's losses were attributable to currency losses.

On the short-term perspective, Finnish groups clearly over-invested on the back of the boom market conditions of the late 1980s, even though they now have the world's most modern and efficient pulp and paper machinery to show for it.

The emphasis was different in Sweden where the big forestry groups concentrated their expansion more on company and plant acquisitions in Europe. Some argue that the Swedish tactic was better, because it facilitated the removal of extra capacity in the market downturn, though it has also left the Swedes with greater production capacity in hard currency countries.

The debt burden has forced the Finnish forestry industry to consolidate. Total investment will fall to an annual FM4.5bn this year and next, compared with FM8bn a year in 1989 and 1990. There are currently only two major projects on the blocks: a DM600m scheme to build a newsprint plant, based on recycled paper, in eastern Germany and a FM3bn plan to construct a new pulp mill at Rauma in western Finland. Other projects may only see the light of day as part of a risk-sharing collaboration between different groups.

The depreciation of the markka has not proved such a big benefit

Balance sheet constraints are also likely to limit takeover activity, unless industrial logic – or distress – can be cited to justify it. For one thing, there has already been a considerable shake-out in the Finnish forestry sector, and for another, the 1980s argument that it made sense to buy in Europe cannot be sustained today when Finland has become a low cost producer again.

"Priority number one over the next two years will be repaying debts," says Mr Jari Köhler, managing director of the Finnish Forest Industries Federation. Enhanced cash-flow, disposals and share offers will all feature in the drive for a stronger balance sheet.

Mr Köhler acknowledges that 1994 will be another tough year for the Finnish forest companies, but he nevertheless expects an overall profit for the industry, thanks to the trends which have begun to emerge.

Firstly, the industry has been able to raise its capacity utilisation from 83 per cent in 1992 to 87 per cent this year. For sawn wood the jump has been from 81 to 92 per cent, and for newsprint from 82 to 91 per cent. But some sectors are still very depressed – utilisation for uncoated (SC) paper has fallen to 77 per cent this year from 83 per cent, while pulp utilisation rates have climbed only to 85 per cent from 83 per cent.

Secondly, in spite of the recession, worldwide paper consumption is continuing to grow, albeit at a modest 1·2 per cent a year.

Thirdly, exports have been growing strongly: they are predicted to rise by 10 per cent in volume terms and 14 per cent in value terms during 1993. The gains have come despite the fact that western Europe, which last year accounted for 80 per cent of Finnish forest industry exports, has been in recession. Increased sales to North America, Asia, the former eastern bloc and Latin America account for all but a tenth of the increased export volume.

Should Finland try to reduce its dependence on the industry?

If the short-term outlook is relatively positive, questions remain about how well placed Finnish forest companies are to meet long-term competitive challenges. The threats come not just from trends like recycling and greater computerisation, but from expanded production in current export markets – such as Indonesia – and from the ability of rivals with stronger balance sheets to exploit market opportunities.

The Finns do not appear to be unduly alarmed by their position. They point out that with their emphasis on higher value-added products and their modern machinery, they are as well placed as any of their competitors to take advantage of an upturn in market conditions.

The broader question is whether Finland should be trying to reduce its dependence on an industry which accounts for as much as 50 per cent of its net exports and which is highly capital intensive. The answer is almost certainly yes.

Mr Henrik Ehrnrooth, chief executive of Jaakko Pöyry, the international consultancy group, says the country is "definitely" over-dependent on forestry. "But it's hard to change," he notes, "when forestry tends to attract the country's best brains."

Christopher Brown-Humes

The Enso-Gutzheit mill at Kotka, in southern Finland

How the forestry machinery companies have been coping

Orders shift towards Asian market

THE COLLAPSE in pulp and paper prices is being felt beyond the Finnish forestry groups which it directly affects: the supporting industry, from forest machinery groups to power plant companies to chemicals suppliers, has also suffered from the downturn.

Finland's forest machinery companies have seen orders fall sharply from the levels of three or four years ago, because pulp and paper companies worldwide have slashed investment in the face of huge losses and overcapacity in many market sectors. The position may not change much in the next year or two, with few expectations of a significant improvement before 1995.

"There is overcapacity. We as machine suppliers have been too successful"

There is also something of a hangover effect. Huge investments in the late 1980s and early 1990s were based on the assumption that pulp and paper demand would go on rising. That simply did not happen. However, it has meant that the companies which invested heavily then, including the big Finnish groups, now boast modern equipment which they will not need to replace for many years.

"There is overcapacity. We as machine suppliers have been too successful," says Mr Krister Ahlström, president of the Ahlström group, a leading supplier of pulping equipment.

Factors which have helped Finland's machinery manufacturers survive the crisis have been strong market positions, technical innovation, rationalisation and the development of new markets and services. Such moves have enabled Valmet, one of the world's three largest producers of paper machinery with a 30 per cent market share, to keep its paper machinery operations profitable in 1991 and 1992, while the group as a whole has suffered heavy losses.

A noticeable trend has been the enforced shift away from the European market, which has traditionally been the mainstay of companies' order books, towards markets in other parts of the world. Significantly, Asia now makes up the largest segment in the orders of Kone Wood, which supplies wood handling equipment to pulp mills, after the company's success in winning two orders in Indonesia and one in Iran. At Valmet, Asia accounted for 9.2 per cent of sales last year, but 18.6 per cent of orders.

Valmet is also giving greater emphasis to rebuilding and servicing existing machinery to compensate for reduced orders for new equipment. Mr Matti Sundberg, its chief executive, says: "Rebuilds are becoming more important, particularly for smaller companies which cannot afford to buy new machinery."

Niche positions have also helped. Kemira, the state-owned chemicals group, has been able to increase sales of hydrogen peroxide, a chemical used in pulp bleaching, thanks to greater environmental concern among forestry groups. The company estimates hydrogen peroxide sales will grow 10 per cent in Europe and 35 per cent in the Nordic region during 1993.

Ahlström has also benefited from the environmental trend, which has pushed up sales of chlorine-free pulp bleaching technology. "Most new orders are environmentally driven. Modernisations and upgrades to solve environmental problems or eliminate production bottlenecks have become the guiding factors for investments," it noted in its 1992 annual report.

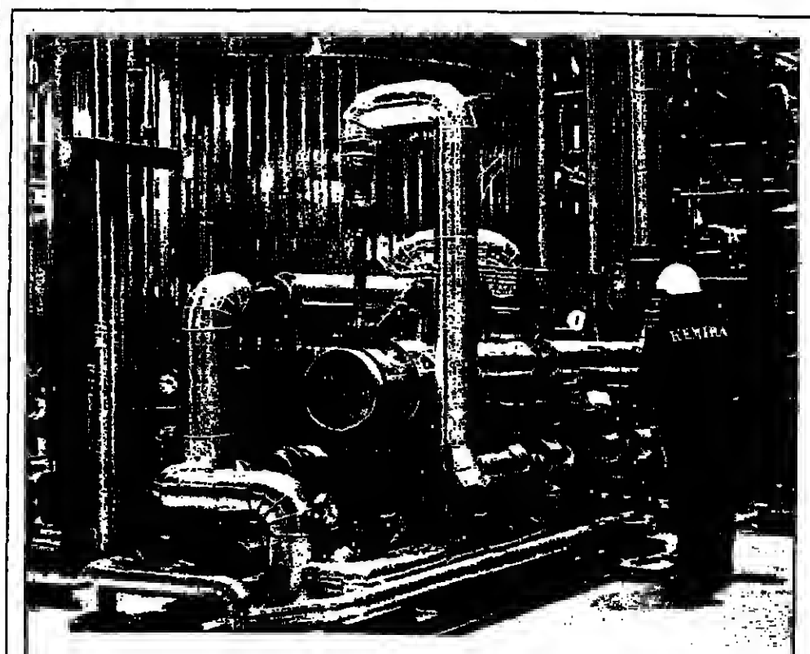
The upturn will come "when pulp prices rise at least $100 a tonne"

For many of Finland's machinery groups, it is a question of sitting out the downturn until market conditions improve in the second half of the decade, when they are hoping there will be a significant increase in orders for new machinery and rebuilds. That is why they are so reluctant to reduce spending on research and development, despite the current financial squeeze.

However, it is still far from clear when the upturn will come. Mr Ahlström says pulp prices need to rise "at least $100 a tonne before customers start loosening their purse strings" (the current level is $400 a tonne) and orders for pulping equipment are back to more normal levels.

Mr Sundberg is also cautious but he notes that worldwide demand for paper has continued to rise in spite of the recession. "Within two years there is likely to be a relatively good balance in most paper grades. Companies will have to start talking to machine suppliers quite soon if they want to be well ahead in the second half of the 1990s," he states.

Christopher Brown-Humes



Kemira is very active in developing environmental products that directly benefit the environment or promote cleaner technology:

Environmental chemicals such as chemicals for municipal or industrial waste water treatment, and for the pulp and paper industry;

Environmental equipment such as catalytic converters for the automotive industry;

Waste recycling products, including gypsum pigments;

New alternative products, including biopesticides.

KEMIRA

■ THE ENVIRONMENT

On the defensive

IT IS as much out of self-interest as concern for the country'e natural habitat that Finland'e forestry industry has got serious over environmental issues.

As the world's second biggest exporters of forastry goods, the country's pulp and paper producers have had to respond to customer pressures to clean up their act or risk losing key markets. The green lobby, particularly in central Europe, has been vociferous in calling for tighter environmental standards, and the success of their campaign is openly ecknowledged by Finland's senior forestry executives.

"If we rape our forests, pollute our rivers, and dirty our land, customers will say they don't want anything to do with us," says Mr Jarl Köhler, managing director of the Finnish Forest Industries Federation. A boycott could have e devastating effect on an industry that is already under pressure from adverse market conditions and the trend towards recycling.

Jari Köhler: his federation has a policy of "sustainability"

The Finnish forest industry feels it bas been unfairly forced onto the defensive on environmental qnestione because it is sometimes tarnished with the same hrush as countries in tropical climates, which bave gained a reputation for reckless destruction of their woodlands. It believes its record on tree-cutting, recycling, and emissions compares favourably witb those of its main competitors, Sweden, the US and Canada.

Finland has more wood today than ever before, thanks to a policy of "sustainability". Planting three or four new seedlings for every tree barvested means the country is growing 80m cubic metres of forestry a year; hut only consuming 50m cu m of them.

At the same time there have been significant changes to methods of cultivation and harvesting, designed to increase hio-diversity and minimise damage to the landscape. Large areas of forest are now less likely to be cleared at one go; instead, they will be gradually thinned. Harvesting techniques hava also changed, with an emphasis on lighter machinery.

"Two-thirds of our forests are in the hands of private owners. It doesn't make sense for them to harm their livelihood," says Mr Pertti Laine, director of the the federation'e industrial and environmental unit.

It is sometimes suggested thet the recycling movement poses a serious threat to the future of the Finnisb forest industry. The threat is overstated, firstly because recycled fibre can only be used for certain types of paper grade, such as newsprint, packaging and tissues, and secondly because there is a limit to the number of times paper can be recycled. With paper consumption continuing to grow, despite worldwide recession, recycling has not has yet had e significant impact on the production of virgin fibre.

The Finns see recycling in the wider context of the recycling of carbon. Because trees absorb carbon dioxide, and therefore slow the greenhouse effect, wood is regarded as a perfectly natural recyclable raw material, providing new growth is systematically assured. That is why the Finns get hot under the collar about developments in some European countries, which legally require a certain percentage of magazine paper and newsprint to ba produced from recycled sources.

This could force Finland to import recycled paper, as its own paper consumption is too small for it to be able to base its production on domestically recycled material. Alternatively, and perhaps more likely, Finnish companies will continue to set up recycling plants close to big population centres in Europe. It is significant that the biggest Finnish forestry investment project announced this year is Enso-Gutzeit's scheme to build e DM800m newsprint plant, based on recycled paper, in the eastern German state of Saxony.

Despite the market situation and the heavy losses they have experienced over the past two years, Finnish forestry groups have continued to make significant investments in environmental projects. Last year, environment-related investments totalled FM740m, or 12 per cent of total forest industry investments, compared with FM815m in 1991 and FM775m in 1990. Some 65 per cent of the money was spent on measures to combat water pollution, 33 per cent on air pollution control, and 2 per cent on solid waste management.

Added to the investments they have already made over the last 10 years, the Finns can now point to a dramatic lowering of emissions of the major chemical pollntants. Emissions of sulphur dioxide last year were 18,900 tonnes, down 80 per cent since 1980, while emissions of organic chlorine compounds were down 60 per cent on their 1989 level at 4,900 tonnes.

At the same time, consumption of chemicals like chlorine has fallen sharply, thanks to tbe introductlon of new bleaching processes. This development has come largely in response to consumer pressure for "totally chlorine-free" pulp and paper.

The process of environmental improvement still has further to go. The next stage will come with the new generation of pulp mills, which will have almost totally enclosed water systems and minimal effluent when they start production in the second half of the decade.

Christopher Brown-Humes

Outokumpu, the mining and metals group, has seen a sharp recovery this year, partly because of the depreciation in the markka

Christopher Brown-Humes on prospects for the country's leading forestry companies

Big four forge path to profits

FINLAND'S four blg listed forestry groups have forged a path back to profitability despite high debt loads and the ravages of e severely depressed market. The turnround in their fortunes has driven Finnisb forestry share prices sharply higher over the past 12 months. United Paper Mills (part of Repola), Enso-Gutzeit and Metsä-Serla expect to make a profit in 1993, after bouncing back into the black at the four-month stage. Kymmene will make a loss although it will be far lower than the FM1.36bn deficit sustained last year.

Relative posltions are ontlined in more detail below:

■ **Market position:** With so many factors in common, the performance of the four groups is being differentiated both by the extent of their exposure to the most depressed segments of the market and by the scope of their activities in France, Germany and other hard currency countries. Kymmene loses out on both scores: it is Europe's leading producer of fine paper, where overcapacity is particularly serious, and 50 per cent of its paper is produced abroad, mainly in hard currency countries.

UPM has 30 per cent of its production abroad, with about half its newsprint capacity based in French and UK mills. Metsä-Serla and Enso-Gutzeit are less internationally-orientated: Enso has a fine paper mill in the Netherlands and a board mill in France, hut these account for less than 10 per cent of production.

More stable market segments have afforded some protection. Tissues have helped Metsä-Serla – it has 45 per cent of the Nordic market – and it has a strong position in corrugated board in Finland, Denmark and Greece. UPM has benefited from its paper converting, speciality papers and board activities while Kymmene has been helped by its plywood operations.

■ **Results:** Nearly all divisions will be profitable in 1993. Kymmene, Metsä-Serla and Enso-Gutzeit will all see a loss from their fine paper divisions. Enso and UPM say thet their pulp divisions will also record a deficit.

■ *Investments:* Enso-Gntzelt has invested more actively than its rivals in the past 12 months. It bought 100,000 hectares of forest from Ahlström for FM926m; acquired Tampella Forest and Tambox Europe for FM3.6bn (including debt); and said it will build a DM800m newsprint plant, based on recycled paper, in eastern Germany. These moves will lift turnover from FM10.3bn in 1992 to an estimated FM17bn in 1995. Net debt will rise to FM13bn.

A project to build a FM3bn pulp mill at Rauma in eastern Finland has been drawn up by Metsä-Botnia, a joint venture between Metsä-Serla, UPM, and Metsaliitto, hut financing has still to be finalised. Annual production will be 500,000 tonnes a year, but it is unlikely to be in operation before 1996-97.

■ **Debt redncti0n:** The four companies are highly geared and all have given debt reduction a strategic priority. Lower interest rates, positive cash-flow, reduced investment programmes, and, possibly, new share issues will all help achieve this aim.

Exploiting strong internatlonal investment interest in Finnish forestry, hoth Metsä-Serla and Repola have launched successful share issues this year. Metsä-Serla raised FM543m ($100m) through an offer of 3.25m new shares while Repola raised FM445m by offering 8m shares held by subsidiaries.

Mr Harry Piehl, Kymmene chief executive, speaks for many companies when he says: "We can keep our investments low without sacrificing our future," reflecting the huge modernisation programmes which Finnish forestry groups carried out in the late 1980s.

■ **Ownership:** The ownership bases of the four companies are distinct and relatively stable. A spree of foreign buying in the last 12 months, following the devaluation of the markka and the removal of foreign ownership restrictions at the start of this year, has increased foreign share ownership.

One big chunk which could find its way to the market at some stage is Metsä-Serla's 21 per cent stake in Repola, the hangover of an abortive bid in 1990. It has a current market value of around FM2.8bn, compared with a book value of FM2.1bn. Mr Timo Poranen, Metsä-Serla chief executive, says the stake is not "essential for our co-operation" with UPM (in wood procurement and marketing) but says Repola is seen as a good investment.

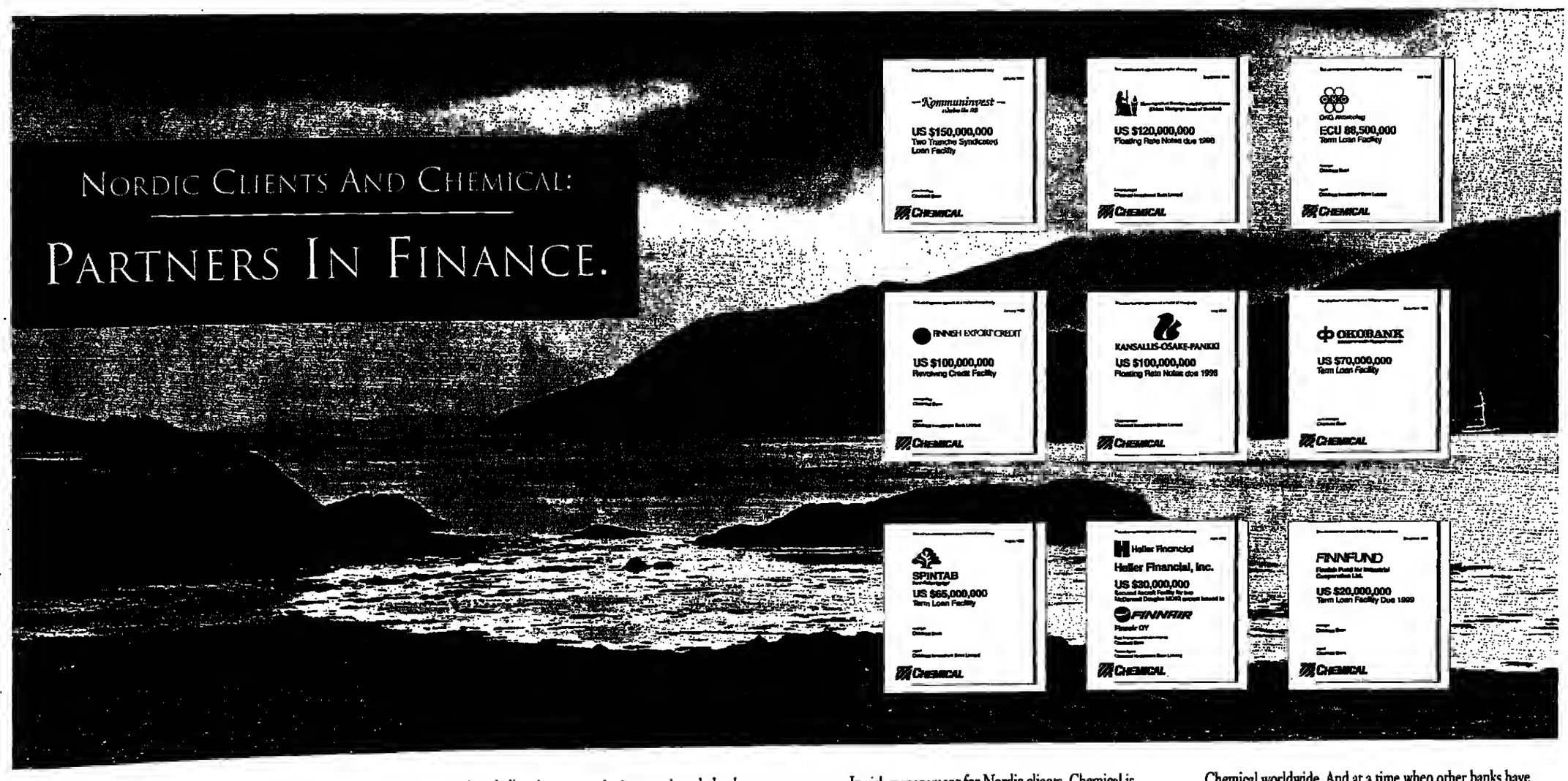
The Finnish government is also looking at ways to reduce its stake in Enso-Gutzeit, whicb, directly and indirectly, amounts to 58 per cent of the shares and 78 per cent of the votes. Jaakko Pöyry, the international consultany group, and Goldman Sachs have been retained to edvise on bow the sell-off can be accomplished and over what period. The most likely development is a step-by-step reduction of the state'e holding over the next few years.

■ **Market outlook:** High export rates make Finnish forestry groups highly dependent on developments in countries where they sell. With the main European market expected to remain weak again next year, executives are cautious about predicting anything more than a modest upturn.

"Demand is growing slowly for all paper grades in central Europe because of very slow GNP growth," says Mr Juhani Pohjolainen, executive vice-president of Enso-Gutzeit. However, the picture is brighter in south-east Asia, and in the US and Latin America.

Most executives feel prices for fine papers and pulp are unlikely to fall further, but they warn that overcapacity will only fall away slowly.

"Low pulp prices are a disaster," says Mr Poranen of Metsä-Serla. "Weak pulp prices are behind weak paper prices. It is in everybody'e interest that we have higher pulp prices."



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Hugh Carnegy finds caution as well as optimism at the banks

The horse has bolted

IN HIS splendidly august office, complete with grand landscape oil paintings and a loudly ticking grandfather clock, Mr Pertti Voutilainen reflects, in measured terms, on the prospects for recovery at Kansallis-Osake-Pankki. He took over last year as its chief executive in the midst of an unprecedented crisis.

"In February we promised to halve our 1992 losses of FM3.7bn this year. We anticipate break-even will come at the end of 1994 and that 1995 will be profitable for us," he says. "If we look at developments so far this year, we are a little bit ahead of that trend. But there are risks still awaiting us and I don't think I can promise a significantly better development than we estimated previously."

Mr Voutilainen's sober assessment of the outlook at Finland's leading bank catches the mood in the sector as a whole a year after the immense depth of the losses sustained by the country's financial institutions became clear. In step with the economy as a whole, there are signs of recovery, thanks largely to the steep fall in interest rates this year. But the backlog of credit losses is so large that a return to profit is likely to take another two years.

"Our non-performing loans have stabilised now and our credit losses are going down," says Mr Vesa Vainio, chief executive of Unitas, KOP's main rival, which ran up a loss in 1992 of FM2.7bn. "We see a turnaround in our bank, in spite of a further big loss this year and next year as well. Banking operations as such are profitable."

So great was the disaster that overtook Finland's banks – like those of Sweden and Norway – that the state was forced to step in with guarantees and infusions of capital to keep the system afloat. "If we had not, we would have had no banking system left," says Mr Jorma Aranko, head of the Bank Supervisory Authority. "It would have been a total shambles."

Banking groups' total exposure*

Sector	Total exposures FM bn	%	Non-performing assets FM bn	%	Write-offs on loans and guarantees FM bn	%
Corporate, of which	268	45.1	32	58.8	17	71.8
Manufacturing	89	14.9	4	7.5	2	8.8
Construction	29	5.0	a	10.1	3	11.8
Trade, restaurants, hotels	58	9.7	7	13.4	3	14.2
Real estate business	34	5.7	a	16.4	5	20.5
Other	58	8.8	a	11.5	4	16.5
Household	192	32.3	12	21.1	1	6.6
Other domestic'	57	9.5	a	6.1	2	10.6
Foreign	78	13.1	a	13.9	2	11.0
All sectors	595	100	55	100	22	100

' Includes financial institutions, general government and non-profit institutions. Source: Bank of Finland

The crisis erupted when a severe recession, induced in large part by the loss of Finland's trade with the Soviet Union, pricked a grossly inflated lending bubble – much of it in foreign currency – that had followed liberalisation of foreign exchange and other financial regulation in the mid-1980s. Rising interest rates and sliding asset values then wreaked havoc on the banks.

None escaped without resort to some government assistance. The two main players in the savings bank sector, Skopbank and the Savings Bank of Finland, had to be taken over by the state, which set up the Government Guarantee Fund to administer the crisis. The government has budgeted some FM60bn in rescue capital for the fund, much of which has already been spent.

A recent Bank of Finland paper showed the banks as a whole had non-performing assets of FM55bn at the end of 1992 – nearly 10 per cent of their loans and guarantees – after write-offs of FM22bn. Nearly 60 per cent of these bad assets were attributed to corporate lending, with the bulk spread through real estate, trading companies, tourism and construction. Just over 21 per cent of bad loans were to the household sector.

A year later, the picture undoubtedly looks rosier. KOP cut its losses in the first seven months to FM768m, from FM2.3bn in the same period of 1992. Unitas losses in the first eight months fell to FM1.01bn from FM1.31bn the year before. Operating profits before credit losses rose fivefold to FM881m.

Both banks believe they will now survive the crisis without resort to state aid beyond the preference capital each has received. The government has pledged to guarantee bond issues by the banks. But for now at least, the big two have successfully turned independently to the markets to recapitalise and ensure they remain above the 8 per cent minimum international capital adequacy ratio. KOP has raised more than FM2bn this year in share and bond issues and plans to raise similarly a further FM2bn. Unitas is meanwhile raising more than FM1.5bn.

If the economy stays on track for a slow recovery next year and interest rates remain at the present low levels, the banks should return to profitability in 1995. The government is also hoping that the recapitalisation process – both through state and private funds – will avert a "credit crunch" that could choke off the much-yearned for upturn in economic activity.

But several unresolved issues hang over the banking sector. Chief among these are the savings banks. The government has kept them afloat, but at great expense, prompting protests of unfair competition from rival commercial banks and calls for them to be sold off or closed down from some senior politicians.

KOP and Unitas are both interested in acquiring at least some of these banks and have had talks to that end with the authorities. But that has prompted concern about their achieving too great a market share. The issue overlaps with the question of reducing the generally acknowledged overcapacity in Finnish banking. STS, the sixth largest bank, was taken over by KOP this year. But the authorities appear undecided over how to proceed with the savings banks, the obvious candidates in any further restructuring.

Last, but not least, is the question of whether the system as a whole has learned the lessons of the past two years. All the banks have tightened the way they handle credit control. Unitas, for example, has a board member whose sole task is risk control and a team of 15 credit specialists. The bank now takes account of cash flow as well as collateral when assessing loan requests.

The state, meanwhile, has moved to extend the powers and resources of the Bank Supervisory Authority. It has been brought within the Bank of Finland for the first time and is acquiring the power to monitor all divisions of a banking group, not just the core bank as previously.

"It is far too late, in a way, as the horse has already bolted," says Mr Aranko. "But we have got together with the Bank of Finland to be ready for the next bank crisis."

INDUSTRY

Daunting task that faces exporters

THE RECESSION that has jolted Finland over the past three years has, among its other effects, exposed the extent to which the country is now dependent on its export industries for a return to growth.

"Increasing merchandise exports and the continuation of structural changes in export production hold the key to the preservation of economic well-being," concluded a recent paper on industrial strategy produced by the Ministry of Trade and Industry.

An encouraging start has been made, with exports rising at an annual rate of some 13 per cent this year, thanks in large measure to the sharp decline in the value of the Finnish markka. The current account deficit has been slashed and should move to a small surplus next year.

Finland's traditional mainstay – the forestry industry – has contributed to the export revival, despite the continued weak state of the world market for its products.

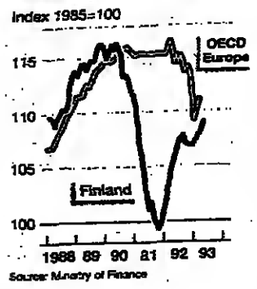
The metal and engineering industries, which now make up the biggest part of manufacturing output, have also pushed up exports, with such companies as Nokia, the world's second largest mobile telephone maker, and Metra, a world leader in diesel engines, improving profits significantly this year.

But the task is a daunting one. "In order for Finland to start reducing its foreign indebtedness, the balance of trade must for several years run a surplus of FM30-40bn – about 30 per cent relative to export revenues. Only Japan and Germany have been able to sustain such sizeable surpluses," commented the ministry in its strategy paper. "In terms of export growth, this means an average rise in exports of 6-8 per cent per annum all through the 1990s."

Achieving such a target will require a marked expansion of manufacturing output – which fell as a proportion of GDP in the late 1980s from more than 25 per cent to less than 15 per cent – as well as greater diversification and greater adaptation to new technologies. But it will also require structural changes in areas such as labour market rigidities, privatisation and protection of local industries to maintain the competitive momentum already given by the devaluation of the markka.

The government believes it has an important role to play in this process, but not through active promotion of new industries or direct channelling of resources to favoured sectors.

Manufacturing production



Source: Ministry of Finance

"There is a need for an industrial policy in Finland, but not in the way of the old days," says Mr Matti Vuoria, the trade and industry ministry's top official. "We don't want to enter a debate on which industrial branches Finland should be in – the market will make those decisions."

Instead, Mr Vuoria says, the intention is to concentrate on development of infrastructure – particularly transport links in a country distant from most of its export markets – technology and education and the removal of protection which in the 1980s sucked too much investment into the "sheltered sector". Finland, he says, has no inherent competitive industrial advantages and must therefore create them through, for example, the fostering of a highly educated workforce.

Big changes have already been made in the area of foreign investment – an area in which Finland has historically ranked among the weakest of western countries. Legislation allowing foreign ownership of Finnish companies came into force this year, prompting a wave of foreign sharebuying.

The dearth of local operations by foreign companies is still a feature of the Finnish economy. But this may also change. Norway's Kvaerner Group now runs the Masa shipbuilding yard, which this year won the country's biggest ever export order – a contract to build four liquid natural gas carriers for Abu Dhabi.

Government action on the privatisation of the 20 per cent of industrial output that is in state hands has been slower. The state's holding in Tampella, a big metals group, has been reduced from 90 to 50 per cent. Other majority or wholly state-owned major companies slated for action include Neste, the oil and petrochemicals group, Kemira, a chemicals producer, Ontokumpu, the mining and metals concern, and Valmet, the paper machinery and engineering company. But little has been done beyond the commissioning of privatisation studies.

In the meantime, the main feature of development among private sector companies outside the forestry sector has been a trend to shift from diversified conglomerates to more tightly focused operations, with an increasing emphasis on overseas activities. Within this trend, the diversity of activity tends to bear out the industry ministry's analysis that there is no "natural" sector for Finnish companies to concentrate on.

Nokia is a prime example. Since a spree of acquisitions in the 1980s, it has restructured to concentrate on mobile and fixed telecommunications systems, an area in which Finland has no special tradition.

Another group which has restructured since the 1980s is Huhtamäki, which now concentrates on confectionery, pharmaceuticals and food packaging. It is a collection which Mr Timo Peltola, the chief executive, cheerfully admits offers each other little in the way of synergies, but in which, he says, Huhtamäki has separately built up a store of expertise.

Hugh Carnegy

Christopher Brown-Humes on saunas

Apply the birch gently

THE foreign businessman on a trip to Finland should prepare himself for a visit to the sauna. The chances are that your host will invite you – all the big companies have their own saunas, but the venue could equally well be a hotel or public sauna. It could even be that that vital deal is clinched over a relaxing post-sauna drink.

The first thing the visitor should understand is that natural modesty needs to be cast aside. The Finnish custom is to take the sauna naked and any attempt to conceal business lunch flab or other physical attributes will only attract strange looks.

In principle, the routine is simple. You shower, you sweat in a wooden-planked hot-room for a few minutes, you cool down with a swim, and then you retire to drink, feeling the day's tension palpably ebbing from your system as you do so. The cycle is usually repeated at least twice.

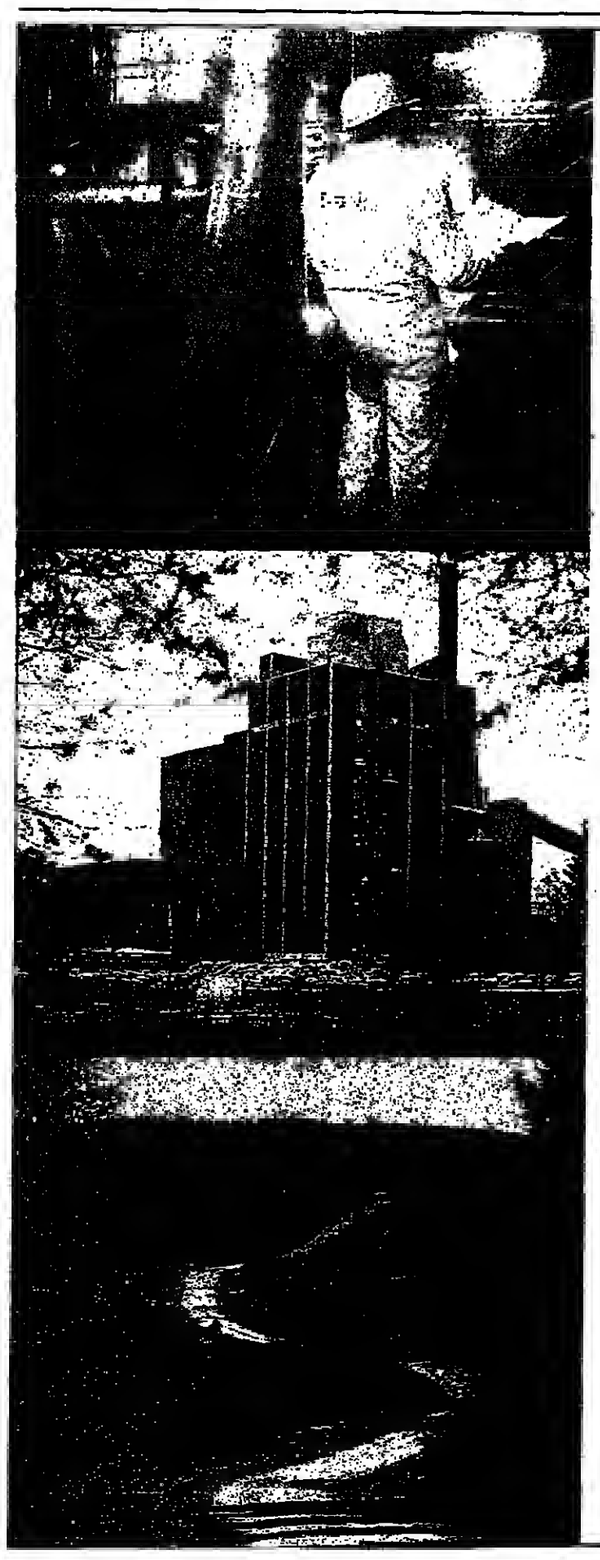
However, the uninitiated should be on the alert. For a start, there is the question of how long you can stick the heat. Watch out for the sadist in your group who delights in throwing water onto the heated sauna stones to intensify the humidity. The paranoid will conclude he is doing it deliberately to test your resistance level.

Then you need to know how to handle the bundle of birch leaves which will almost certainly be thrust into your hand as you enter the hot room of a country sauna. It is not to be used to thrash your fellow bathers (despite the temptation to take revenge on the sadist) but gently applied to your own torso to stimulate circulation of the blood and aid perspiration.

Finally, there is the cold swim routine. In the countryside, that almost certainly means a plunge into a freezing lake, rather than a swimming pool. Your hosts will graciously tell you this bit is optional, but in practice it is as difficult to avoid as an invitation to sing in a Japanese karaoke bar.

Two notions need to be disabused. One is that you will be plied with liberal quantities of alcohol to assist the perspiration process. At public saunas, only soft drinks and alcohol-free beers are on sale. In a private sauna, it is more likely that you will be offered something stronger.

Secondly, you must forget the idea that you will be nudging up to a member of the opposite sex in the hot room. In all public saunas, men and women are strictly segregated.



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